

By Mr. DALE: Petitions of Hon. James W. Stevens, mayor of Albany, N. Y., and the Chamber of Commerce of Cohoes, N. Y., favoring the establishment of the proposed Government armor-plate plant at Breakers Island, N. Y.; to the Committee on Naval Affairs.

Also, petitions of H. Planter & Sons and S. V. B. Swann, of Brooklyn, and the Morgan Drug Co., of Brooklyn and New York City, protesting against war tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the New York State Millers' Association, of New York City, and the Thompson Milling Co., of Lockport, N. Y., favoring the passage of the Moss grain bill (H. R. 17329); to the Committee on Agriculture.

Also, petition of S. Glasroff, Alex Gardner, Otto Reubedeetow, the Kings County Pharmaceutical Association, and Charles Killian, of Scales Mound, N. Y., and H. Plantin & Son, of Brooklyn, N. Y., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. DERSHEM: Petition of 61 citizens of Mifflin, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. EAGAN: Petition of the Peter Breidt City Brewery Co., of Elizabeth, N. J., protesting against war tax on beer; to the Committee on Ways and Means.

Also, petition of Jac. B. Zimmermann, of Guttenberg, N. J., protesting against war tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. ESCH: Petition of the National Association of Life Underwriters, favoring national department of health; to the Committee on Interstate and Foreign Commerce.

By Mr. FINLEY: Petition of the Gregory Hood Live Stock Co., of Lancaster, S. C., against tax on automobiles; to the Committee on Ways and Means.

Also, petition of the Standard Drug Co., R. F. Kee, J. F. Mackey & Co., C. L. McManus, the Lancaster Pharmacy, W. F. Laney, the Lancaster Drug Co., I. E. Foster, the People's Drug Co., and E. C. Mackey, all of Lancaster, S. C., against tax on drug business; to the Committee on Ways and Means.

By Mr. FITZGERALD: Petition of the National Association of Life Underwriters, of New York, favoring creation of a national department of health; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petition of sundry citizens of Syracuse, Nebr., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Protest of Arthur T. Vance, editor of the Pictorial Review, of New York, N. Y., against House bill 10238, to amend the copyright law; to the Committee on the Library.

Also, resolutions of Yosemite Tribe, No. 103, Independent Order of Red Men; Rienhold Richter Camp, No. 2, United Spanish War Veterans; Alpha Neighborhood Club; Independent Order of Odd Fellows' Military Band; and the Monadnock Tribe, No. 100, Independent Order of Red Men, all of San Francisco, Cal., representing a total membership of 1,146, favoring the passage of the Hamill bill, to pension superannuated Federal civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. RUPLEY: Petition of the Wrigley Chewing Gum Co., of Chicago, Ill., protesting against tax on chewing gum; to the Committee on Ways and Means.

Also, petitions of the Hostetter Co., of Pittsburgh; W. L. Bucher, of Columbus; and E. Z. Gross and George A. Gorcas, of Harrisburg, all in the State of Pennsylvania, protesting against war tax on drugs; to the Committee on Ways and Means.

By Mr. SAUNDERS: Petitions of George W. Whitlow and others, C. B. Dixon and others, and M. J. Compton and others, all of the State of Virginia, relative to personal rural credit bill; to the Committee on Banking and Currency.

Also, petitions of 500 citizens of Bentons Camp, Va., and 70 citizens of Houston, Va., favoring national prohibition; to the Committee on Rules.

By Mr. TAVENNER: Petitions of 68 members of the First Baptist Church of Colchester, Ill., and 80 members of Cedar Creek (Ill.) Baptist Church, favoring national prohibition; to the Committee on Rules.

By Mr. THACHER: Petition of the Woman's Christian Temperance Union of South Chatham, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. THOMAS: Petition of various farmers of Big Reedy, Ky., favoring financial relief for farmers in present emergency; to the Committee on Banking and Currency.

## SENATE.

TUESDAY, October 13, 1914.

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

## THE COTTON SITUATION IN THE SOUTH.

Mr. SMITH of Georgia. Mr. President, I wish to present to the Senate this morning a few telegrams and two or three letters. I can, of course, read them myself, but I would prefer to send them to the desk and let the Secretary read them. The first is a telegram from the president of the State Bankers' Association of Georgia.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

AMERICUS, GA., October 12, 1914.

HON. HOKE SMITH,  
United States Senate, Washington, D. C.:

If possible, hold Congress in session until some action is taken to provide some relief for the people of the cotton-growing States. The cotton market is now flat and approaching the 5-cent-per-pound level in the interior, with the demand very limited. Imperative something be done. It appears that the governors and legislators of the cotton States can not agree or unite on any plan for relief. The interest of the entire country involved in the threatened disaster to the South. You fully realize the gravity of the situation, and I feel sure will exercise your every effort to obtain relief.

L. G. COUNCIL,  
President Georgia Bankers' Association.

Mr. SMITH of Georgia. The next telegram I send to the desk is from the editor of the Ruralist, an agricultural paper with a circulation of something like 250,000 subscribers. He is a man of conservatism, and a scholar.

The Secretary read as follows:

ATLANTA, GA., October 12, 1914.

HON. HOKE SMITH,  
United States Senate, Washington, D. C.:

Just returned from extended trip over cotton section. Conditions are infinitely worse than press finds expedient to publish. We all fear that unless relief comes through national or United States action horrible conditions will soon develop. Am leaving to-night for Fort Worth, Tex., to attend farmers' national congress in hope of lining up concerted effort.

H. E. STOCKBRIDGE.

Mr. SMITH of Georgia. The next telegram is from a well-informed resident of a rural section.

The Secretary read as follows:

CALHOUN, GA., October 12, 1914.

Senator HOKE SMITH, Washington, D. C.:

Banks having to push collection. Farmers being compelled to sacrifice their cotton around 6 cents. This spells ruin to many and honest, hard-working families. Many women and children in the South will suffer the coming winter for lack of food and clothing, although no fault of theirs, a guarantee reduction of next year's crop will put price where people can live. Act before it is too late. Quick action is what the South desires and wants. Please hand to President Wilson.

Your friend,

P. M. BOAZ.

Mr. SMITH of Georgia. I ask to have incorporated in the RECORD two short letters from farmers. They present the case as it affects the farmer and the tenant farmer.

The VICE PRESIDENT. Without objection, it is so ordered. The letters referred to are as follows:

LUTHERSVILLE, GA., October 9, 1914.

HON. HOKE SMITH.

DEAR FRIEND: Several of my friends have asked me to write you in regard to cotton. Now, you see our condition: We have gone ahead and bought everything this year at a high price; you know, everything was based on 13-cent cotton; now the guano men want us to sell our cotton and pay the money for our guano. Now, cotton is selling for 6½ cents for grade 4 to-day. Now, my guano account this year is \$252.90, so, at 6½ cents for cotton, it will take about eight bales to pay this account. Now, if cotton was selling for 13 cents, like it was when I bought the guano, it would only take about four bales at 13 cents. So it is with everything the farmer bought this year; so when you begin to think about the farmer, he is in bad luck. Now, you see, we farmers depend on our cotton for our money. Now, you see, they are just giving us half price for our cotton; so, you know, if our cotton don't pay our debts, they will take everything the farmer has. You know, they can take the last grain of corn, fodder, and everything that way; the last cow and hog. You know the law gives them that authority. I know the law gives the farmer a chance to bankrupt and homestead; but it is this way with the farmer: Now, if the farmer has got to go to the devil to save his stuff, the farmer had rather see the other fellow take the stuff. I hope it will be so you good men can protect us farmers at once, for we need help at once. The farmers have lost hope, so they are turning their cotton over at these ungodly prices.

Your friend,

LUTHER KEITH.

LYERLY, GA., October 10, 1914.

HON. HOKE SMITH, Washington, D. C.:

DEAR SIR: I received your speech. I tell you, unless something is done to help out the cotton farmer, and that soon, it need not be done at all, for if this cotton crop has to be sacrificed at present prices, the poor tenant farmer is ruined and can not go on to make another crop,

but will be compelled to go to something else to support his wife and children. But it seems, now, to me if something is not done soon we are ruined here. Our debts are coming due, and we have no money to pay them with, and our only hope was our cotton. We haven't the money to pay our taxes on our homes. We can't pay our fertilizer bill nor any other debt. We can sacrifice the cotton, but still the debts are left unpaid, and the tax man will soon be closing out on us for taxes, and for our guano the companies want their money, and our notes for the fertilizer are due the 15th of this month. I can't see how we are to do, but hope some plan will come to our aid that will save us from bankruptcy.

Your friend,

G. A. RAGLAND, Sr.

Mr. SMITH of Georgia. Now, Mr. President, I desire to present to the Senate a letter from Mr. Charles W. Macara, president of the International Federation of Master Cotton Spinners and Manufacturers' Associations. I do not ask to have it read. My desire is that it may be embraced in the RECORD, for the information of Senators and those interested.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE COTTON INDUSTRY—PLEA FOR RESERVES OF CROP.

15 CROSS STREET, MANCHESTER,  
September 19.

To the Editor of the Textile Mercury.

SIR: No industry has been more seriously affected by the war than the cotton industry, and, although everything possible has been done to keep the mills running, yet we are still confronted with the serious problem of how the great population which finds its employment in the spinning and manufacturing of cotton can be kept at work.

This industry, as is well known, is very largely an over-sea industry, all its raw material being imported, and more than three-quarters of the production of the spindles and looms being exported. The great difficulties that have to be grappled with at the present time will be readily realized.

One of these difficulties arises from the overplus of cotton consequent upon the partial or complete stoppage of the cotton mills on the European Continent. For years past I have been advocating the establishment of cotton reserves, and now is the time to put this suggestion into operation. Unless something of this kind is done I fear the outlook for everyone engaged in the growing and manufacturing of cotton is very serious indeed. For years the cotton industry of the world has been requiring more and more cotton, and the mills for its manufacture have been increased in excess of both the raw material and labor available. Much propaganda work has been carried on since the International Cotton Federation was founded 10 years ago to improve the yield of the existing fields, and to open up new ones in any part of the world where it can be done successfully.

I have always viewed with misgiving the possibility of circumstances arising in connection with exceptionally large yields of cotton—or with such a condition as has arisen now—which would seriously affect the interests of the growers of cotton and so discourage them in their work. The cotton plant is subject to many vicissitudes, and from that standpoint I have always urged that, if possible, a reserve should be created in times of plenty, for, unlike most other agricultural products, cotton suffers no deterioration if properly packed and stored. This problem is one of such magnitude and of such importance to so many millions of people that it ought to be coped with in a broad and statesmanlike manner. I see no way of dealing with it except by Government action.

It is impossible to lose sight of the fact that, owing to the great destruction of foodstuffs, it might be necessary to extend their production considerably, and this is a factor which will have to be considered in the planting of the next season's crops.

In conclusion, I would say that until a stable price for the raw material is assured there will be an absence of confidence, which must of necessity have a serious effect upon the running of the mills and the employment of the operatives. Everything that can be done must be done to restore this confidence.

I am, yours, faithfully,

CHARLES W. MACARA,  
President International Federation of Master Cotton  
Spinners and Manufacturers' Association.

#### PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Inland Waterways Association of Stockton, Cal., praying for an appropriation for the building of levees to protect the Imperial Valley from overflow of the Colorado River, which was referred to the Committee on Irrigation and Reclamation of Arid Lands.

He also presented a petition of the Angelo City Court, Catholic Foresters, of Los Angeles, Cal., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented memorials of F. C. Ackerman, of Yreka; the Elmore Pharmacy, of Red Bluff; the Rexall Club, of Redwood City; the Owl Drug Co. of San Francisco; of W. H. Farley, of Berkeley; of C. W. Armstrong, of Calistoga; and of the San Bernardino Drug Co., all in the State of California, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

He also presented memorials of the First National Bank of Corona, and the Bank of Princeton, of Princeton, in the State of California, remonstrating against the proposed tax on capital and surplus of banks, which were ordered to lie on the table.

He also presented the memorial of William E. Cole, of Rutherford, Cal., remonstrating against the proposed tax on wines, which was ordered to lie on the table.

Mr. OLIVER presented a memorial of the Exhibitors League of Pennsylvania, of Philadelphia, Pa., remonstrating against the proposed tax on motion-picture places, which was ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on telephone messages, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on automobiles, which were ordered to lie on the table.

Mr. MARTINE of New Jersey. I present a number of telegrams in the nature of memorials from citizens of Hoboken, N. J., remonstrating against the proposed tax on drugs and proprietary medicines. I ask that the telegrams may be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HOBOKEN, N. J., October 12, 1914.

Senator MARTINE,  
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

C. O. DEHNE.

HOBOKEN, N. J., October 12, 1914.

Senator JAMES MARTINE,  
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

CARL SCHULTZ.

HOBOKEN, N. J., October 12, 1914.

Senator JAMES MARTINE,  
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

F. W. TRAGER.

HOBOKEN, N. J., October 12, 1914.

Senator JAMES MARTINE,  
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

GEO. F. BURGER.

HOBOKEN, N. J., October 12, 1914.

Senator JAMES MARTINE,  
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

GEO. HOFFMAN.

HOBOKEN, N. J., October 12, 1914.

Senator JAMES MARTINE,  
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

J. COLLETTI.

HOBOKEN, N. J., October 12, 1914.

Senator JAMES MARTINE,  
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

A. TEIFELD.

Mr. O'GORMAN. I desire to present a protest against the imposition of a tax on patent medicines, and ask to have it printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

NEW YORK, October 8, 1914.

Senator JAMES A. O'GORMAN,  
Washington, D. C.

DEAR SIR: We inclose herewith a copy of a petition from the drug-trade section respecting the levy of a stamp tax upon medicines as proposed under the pending war-revenue bill.

We ask your careful consideration of the facts set forth in the petition, and express the hope that you will lend your influence to the effort to avoid the inequity and injustice which the proposed tax on medicines would impose.

We request that you will kindly present the petition to the Senate.

Very respectfully, yours,

WM. F. MCCONNELL,  
Secretary Drug Trade Section,  
New York Board of Trade and Transportation.

NEW YORK, October 7, 1914.

To the Congress of the United States:

The drug-trade section of the New York Board of Trade and Transportation, representing the wholesale drug and chemical trades, manufacturing pharmacists, and importers of drugs and chemicals, earnestly petitions Congress to omit from the pending war-revenue bill any additional tax upon medicines.

As American business men we are willing to contribute our proportionate share of any tax whenever conditions make the same absolutely necessary, but we protest that a stamp tax upon medicines is a double tax upon the druggist, and will be paid by the retailer in addition to the increased tax upon alcohol which will be required under the pending bill. Manufacturers usually protect themselves by increasing wholesale prices to cover the amount of such tax, whereas competition and fixed prices preclude any advance by the retailer. The tax proposed, therefore, is not distributed upon the whole commercial world, but is literally class legislation, burdening with special tax citizens who



already pay large internal-revenue taxes and State license fees. Former experience proves that the actual income from such stamp tax is out of proportion to the cost and management of collection.

Very respectfully submitted.

DRUG TRADE SECTION OF THE  
NEW YORK BOARD OF TRADE AND TRANSPORTATION.  
LABELING, ETC., OF MANUFACTURED PRODUCTS.

Mr. POMERENE. I ask unanimous consent to submit a favorable report from the Committee on Manufactures.

The VICE PRESIDENT. Without objection, the report will be received.

Mr. POMERENE, from the Committee on Manufactures, to which was referred the bill (S. 646) providing for labeling and tagging of all fabrics and articles of clothing intended for sale which enter into interstate commerce and providing penalties for misbranding, reported it with amendments and submitted a report (No. 818) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTINE of New Jersey (by request):

A bill (S. 6633) authorizing Government control of certain utilities; to the Committee on Education and Labor.

By Mr. OLIVER:

A bill (S. 6634) granting a pension to Anna Minette Snively (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 6635) granting an increase of pension to Margaret P. Sherman (with accompanying papers); to the Committee on Pensions.

By Mr. VARDAMAN:

A bill (S. 6636) for the relief of the heirs of James Spiars (with accompanying paper); to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 6637) to increase the limit of cost of the Federal building authorized at Longview, Tex.; to the Committee on Public Buildings and Grounds.

INCOME-TAX COLLECTIONS.

Mr. JONES. On behalf of the junior Senator from Iowa [Mr. KENYON] I submit a Senate resolution and ask for its consideration. I do not think there will be any objection to it.

The resolution (S. Res. 471) was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Commissioner of Internal Revenue is hereby directed to furnish to the Senate, without delay, the amount of revenue derived from the income tax, same to be classified by States, for the last fiscal year.

STORAGE OF RAW SUGAR.

Mr. THOMAS. I submit a resolution and ask that it be read and lie over until to-morrow.

The Secretary read the resolution (S. Res. 472), as follows: Whereas it is announced that immense quantities of raw sugar are being held in storage in New York and Philadelphia in the expectation that Great Britain and France will be strong competitors for Cuban sugar in the near future, and that the price of raw sugar will reach such a figure that the refined product in January and February may go to 15 cents a pound, which is the equivalent of a consumption tax of 10 cents a pound upon a necessity of life aggregating more than five hundred millions of dollars per annum; and Whereas this purpose, if it exists, constitutes a violation of the laws, both of the Nation and the States, and should be both prevented and punished: Therefore be it

*Resolved by the Senate of the United States*, That the Secretary of Commerce be, and he is hereby, directed to make immediate investigation into the facts relating to the proposed engrossment of raw sugar as stated by the press, and report the result thereof to the Senate as soon as the same can be done.

The VICE PRESIDENT. The resolution will go over and be printed.

EMERGENCY REVENUE LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. GRONNA. Mr. President—

Mr. BRISTOW. I know something of the address the Senator from North Dakota is about to deliver, and I should like to have the Senate hear it. I think it would be of advantage.

Mr. GRONNA. I hope the Senator from Kansas will not call for a quorum. Time is very valuable now, and I can go on with my speech. It will not take over three-quarters of an hour or possibly an hour.

Mr. BRISTOW. If the Senator objects, I will not raise the point, but I would like to have a good attendance of the Senate to hear what the Senator has to say.

Mr. GRONNA. I prefer to go on, if the Senator will allow me. I take it that there will not be a great many Members present anyway. We generally have to speak to empty seats nowadays. I appreciate the courtesy of the Senator from Kansas, however.

Mr. President, we have been asked to pass a bill providing for additional revenue, a bill to impose additional taxes on the American people, in order to provide sufficient funds for the operation of the Government during the present fiscal year. The President, in his address to Congress on this subject, stated that this is necessary because of conditions which no man foresaw. He said:

During the month of August there was, as compared with the corresponding month of last year, a falling off of \$10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions.

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately \$75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. The country is able to pay any just and reasonable taxes without distress.

Mr. President, there are a few features of the situation to which I wish to call attention. The President's statement is to the effect that the customs revenues collected during the month of August were about ten and a half millions less than during the month of August, 1913, and therefore it is estimated that there will be a deficiency of from sixty to one hundred millions in customs revenues during the current fiscal year. As a matter of fact, what the President undoubtedly had in mind were the total revenues collected during the month of August, as the customs revenues during that month were about eleven and a half millions less than for the corresponding month last year, and the amount stated by the President is the difference between the total revenues collected during August. However, the President did not call attention to the fact that the customs revenues in August, 1913, were collected under the Payne Tariff Act, and that even in normal times the customs revenues would have been less than in August, 1913. It was estimated when the Underwood Tariff Act was passed that the revenues from customs duties would be about \$70,000,000 a year less than under the Payne Act, and to make up for this deficiency provision was made for an income tax.

The fact that the falling off in customs revenues is not wholly due to the war, as a casual reader of the President's statement might infer, becomes apparent when we compare the imports during the two months. In August, 1913, the total imports, free and dutiable, were \$137,651,553, while in August, 1914, they were \$129,399,496, or \$8,252,057 less. The decrease in customs revenues amounted to, in round numbers, \$11,500,000. The customs duties collected during the two months were \$30,934,952 and \$19,431,362, respectively. Even if the value of the imports in August, 1914, had been equal to that of the imports in August, 1913, the customs revenue—taking the rate of duty collected to be 14.3 per cent, which is about what it averaged from the 1st of October last year to the 31st of July this year—would have been approximately \$19,685,000, or only about \$250,000 more than was actually collected. As the effect of the Underwood Tariff Act has been to increase the imports, however, it may be fairer to compare the receipts for August with those of July. The customs revenues in July, 1914, were \$22,988,465 as against \$19,431,362 in August, or a falling off of \$3,457,003. The customs revenues collected during September were somewhat over \$17,000,000, as against \$26,794,494 in September, 1913. But, again, it must be evident that the greater part of the falling off is due to the reduction of rates of duty rather than to a falling off of imports.

While the customs duties collected during last August were \$11,500,000 less than in August, 1913, and during September \$9,700,000 less than in September, 1913, the same is not true of the total revenues of the Government. Because of increased internal revenues collected the total revenues for August were only \$10,500,000 less than in August, 1913, and for September only \$4,100,000 less than for the corresponding month in 1913. I want Senators to note this: For the first quarter—July, August, and September—of the present fiscal year the total revenues were only about \$1,600,000 less than for the same quarter last fiscal year. I am speaking now of the total revenues of the Government.

However, if we consider the difference between the customs revenues for July and August, it appears to me that we may have something on which to base an estimate as to how much effect the condition of war in Europe is likely to have on our

revenues. This difference was \$3,457,103. A like difference for the nine months remaining of this fiscal year would amount to somewhat over \$30,000,000. It would probably be considerably more than this, as the August receipts have in former years usually been from two to three millions greater than those for July, and also because of the fact that during last August part of the receipts was undoubtedly due to the withdrawal from bond of goods previously imported. Even after making allowance for these factors, however, it is obvious that the decrease in customs revenues due to the war will be far less than the \$110,000,000 which we are asked to raise by these additional taxes. And when we consider that the surplus of ordinary receipts over ordinary expenditures for the fiscal year ended last June is given as \$34,000,000, and that the income tax this year is expected to produce some \$10,000,000 more than last year, and that an increase of several millions is expected in the internal-revenue receipts, the conclusion is forced upon us that the real reason for levying these additional taxes is not the falling off in revenues due to the European war.

The real reason for levying these additional taxes we find when we consider the total of appropriations for the present session. According to the statement submitted by the chairman of the Appropriations Committee of the House, the total of appropriations for the present fiscal year is \$1,089,000,000, while for last year it was \$1,057,000,000, in both cases exclusive of rivers and harbors appropriations, as this bill had not become a law at the time the statement was made. According to these figures, the appropriations for this year were \$32,000,000 greater than for last year. Democratic extravagance is greater than this would indicate, however, because there is a decrease in pensions of \$11,150,000, due to the diminishing number of pensioners, and the appropriation for the Panama Canal is some \$10,000,000 less. If we add these amounts to the above excess, we have \$53,000,000. If we include the rivers and harbors bill, this amount will be decreased somewhat, since the strenuous fight made by Senators on this side of the Chamber resulted in reducing the amount carried in the rivers and harbors bill to \$20,000,000. Last winter, however, we passed a law authorizing the construction of the Alaskan railway at a cost of \$35,000,000, which sum is not included in the above figures. It is also reported that the word has gone forth from the White House that when Congress reassembles in December it must pass the bill providing for the purchase of merchant vessels by the Government, which means another appropriation of \$30,000,000. If the treaty with Colombia should be ratified, that would mean \$25,000,000 more. Another item which has not been included consists of the \$6,000,000 which it has been necessary to appropriate because of the conditions in Europe. Excluding all these items, however, it is interesting to compare the total appropriations for this year with those for the four preceding years. The figures, given by the ranking minority member of the House Committee on Appropriations, are as follows:

Total appropriations.	
Fiscal year:	
1911	\$978,521,087.68
1912	995,799,462.72
1913	988,353,340.41
1914	1,057,603,694.40
1915	1,089,408,777.26

These figures do not include the amounts carried by rivers and harbors appropriation bills; and in comparing them it should also be taken into account that the Panama appropriations for the present fiscal year are only about \$21,000,000, while in former years they have been much higher, in one year reaching \$48,000,000. In the 1912 campaign, as well as in former campaigns, the Democrats charged the Republicans with unconscionable extravagance in making appropriations, and yet this year the appropriations are \$100,000,000 greater than those made in 1912.

If the appropriations this year had been kept down to the same figures as in former years, there would have been no necessity of imposing any more taxes.

I must further say that I do not agree with the President in the position he takes on the matter of the Government funds on deposit in the banks. In former years Republican administrations have been severely criticized by our Democratic friends because of the practice of making large deposits in the banks in the fall during the crop-moving season, for the purpose of relieving the stringency caused by the unusually large demand for currency. Our Democratic friends have maintained that there has been no need of such deposits, and that they have been made only as a favor to the banks receiving them. Without stopping to discuss that question, I will say that it has been the practice to withdraw such deposits later in the year, when the exceptional demand for currency had spent itself. Now

we are told, however, that the \$75,000,000 which the Government has in the banks must be left there, not only during the time of moving the crops but that it must not be withdrawn at all. If former administrations deserved to be criticized for making these deposits at times when there was a demand for additional supplies of currency, what about this administration, which insists that these deposits must remain in the banks even after the exceptional demand for currency is past, and in spite of the fact that the Government needs the money? Can it be maintained that conditions are such that it is necessary for us to impose additional taxes on ourselves in order that the banks may have this money? It can not be maintained that it is necessary to let these deposits remain in the banks in order to supply a demand for additional currency, as was the case under former administrations, since under the modified Aldrich-Vreeland Act the banks have had no difficulty in securing the issuance of currency in large amounts. I understand about \$350,000,000 in this kind of currency has already been issued, and a large amount is still available. There may, of course, be certain banks, or certain classes of banks, which have secured currency under the Aldrich-Vreeland Act to the extent possible under the act, and which would be aided by being allowed to retain Government deposits, but if such is the case I do not believe that is sufficient reason for increasing our taxes rather than withdrawing these deposits. While I do not question that the President was actuated by the highest motives in making this recommendation, and believed that the course recommended would be conducive to the welfare of the people, I do not believe that we should extend this favor to a special class. We are not at war; the great struggle in Europe affects us only indirectly. In the countries that are engaged in this struggle, I believe, the banks are called upon to aid the Governments in financing the war; in this country we are told that at this juncture the Government should aid the banks, even if it is necessary to levy additional taxes in order to do so.

If the banks in those other countries are able not only to carry their own burdens but also to assume part of the Government's, why should not our banks carry their own? I am inclined to believe that it would inconvenience the banks far less to repay the \$75,000,000 to the Treasury, and that it would disturb business less than it will to raise the amount proposed by new forms of taxation. And while I do not favor the issuance of bonds, because such action would add to the burdens of future generations, I do not see that raising the money by taxation will avoid the difficulty which the President raises to a bond issue, namely, that it will withdraw working capital from other uses. If selling bonds withdraws capital from other uses, so does taking that capital by taxation, although in the latter case the withdrawal may be more gradual. Wealth, generally speaking, is used either to produce more wealth, when we call it capital, or it is used for living expenses. Taxation must take it from one or the other of these classes. If taken from the former, the amount of working capital is reduced; if from the latter, more or less of a hardship is imposed depending on to what extent the things taxed are necessities.

It is instructive in this connection to read the declaration contained in the Democratic platform of 1912 on the subject of Government expenditures. The platform says:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

How does the performance of the present Congress square with this platform declaration? What becomes of the economy which it was promised would be practiced? How many "useless offices, the salaries of which drain the substance of the people," have been abolished? If the appropriations of Republican Congresses were lavish, how would you characterize those of the present session, which exceed the ones so severely criticized by \$100,000,000 or more? If taxation was burdensome under Republican administrations, are they going to be lighter under this administration when it is necessary, to invent new forms of taxation? If the able chairman of the House Committee on Appropriations, in pleading for economy last spring, referred to the appropriations made this session as a horrible mess, how would he characterize them now with the threatened deficiency in revenue? And it is not necessary for me to remind you that the deficiency would have been still greater but for the fight made by Republican Senators to cut down the amount carried by the rivers and harbors bill, which was, I believe, to the amount of \$33,000,000. If the record of this session is indicative of what Democratic economy is, I



trust we may be delivered from ever having Democratic extravagance.

While the Democratic Party has signally failed to fulfill its promise to reduce governmental expenditures, this is not the only instance in which the promise of the platform and the performance have not tallied. The 1912 Democratic platform had a plank charging that the high cost of living was in a large measure due to the protective tariff and promising to reduce the tariff so as to reduce the high cost of living. The tariff was lowered, but has the cost of living been reduced? I do not believe anyone will maintain that it has. One thing that has been reduced, however, is the income of a good many people. When the tariff measure was before Congress I pointed out the discrimination against the American farmer which it contained. As shown by the table submitted by my colleague, Mr. McCUMBER, the other day, out of 22 important agricultural products of the Northwest 17 were placed on the free list and the duties on others were reduced not less than 60 per cent. There is no justification for this discrimination against the farmer in the enactment of tariff laws. The farmer has not enjoyed excessive profits on his products nor has he attempted to form oppressive trusts. Nor has the removal of the duties on farm products, although admitting the agricultural products of other countries in competition with the products of the American farmer, benefited the consumer of them. There are some who justify it on the assumption that the Underwood tariff bill is a step toward free trade and that it was necessary to begin somewhere to remove the duties; the farmer was presumably selected on the supposition that he would be an uncomplaining victim. As to whether the ultimate aim is free trade, the Democratic platform is silent. I will quote to you, however, words from a source at present more potent than the Democratic platform. On page 156 of the New Freedom, the latest book by Woodrow Wilson, I find the following:

Let me repeat: There can not be free trade in the United States so long as the established fiscal policy of the Federal Government is maintained. The Federal Government has chosen throughout all the generations that have preceded us to maintain itself chiefly on indirect instead of direct taxation. I dare say we shall never see a time when it can alter that policy in any substantial degree; and there is no Democrat of thoughtfulness that I have met who contemplates a program of free trade.

According to the President, we shall probably never see a time when that policy can be altered in any substantial degree, and he has met no thoughtful Democrat who contemplates the establishment of free trade. The discrimination against the farmer embodied in the present tariff law, therefore, must be looked upon as a continuing policy. It is not merely a temporary discrimination, resulting from a transition from one economic policy to another; it is part of a policy which is meant to continue. If we were to have free trade in all products, I believe the American farmer could worry along as well under free trade as a person engaged in any other industry, but what the farmer objects to, and what he has a right to object to, is the removal of the duties on his products while retaining them on manufactures. It is the principle of the Canadian reciprocity measure over again—free trade in the products that the farmer sells and protection on what he has to buy. The farmer is expected to sell in competition with the world and to buy in a protected market.

The failure to reduce Government expenditures and to reduce the cost of living are not the only instances in which the Democratic performance falls short of the platform promise. With regard to the antitrust laws, the platform says:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Is the Clayton bill with its teeth removed, the conference report on which was agreed to the other day, a fulfillment of this promise? My distinguished Democratic friend from New Jersey [Mr. MARTINE] says, in regard to this measure:

I have been told by Senators for whom I have the greatest respect, both for their legal ability and their political principles, that it was my political duty to stand by this report. This, Mr. President, I repel and deny. I deem it my duty to stand by that which I deem right, and this thought has prompted every vote I have cast in this body. I had felt that this report should be sent back to conference, that it might be shaped and molded to the interests of justice and in harmony with our party's promises.

I oppose this measure because I believe that some influence—I can not say what influence, but some influence, it seems to me uncanny, dangerous to the Republic—has changed the text and character of the bill until it does not stand for the smaller man or the middleman, but tends to advance to further supremacy the giant monopolies that you and I, in both platforms, have pledged ourselves to destroy, and for whose destruction these many years we have struggled.

No; no one who knows the Senator from New Jersey will doubt that.

The fearless Democratic Senator from Oregon [Mr. LANE] says:

I had hoped that when this measure came into the Senate we would have a bill which would provide a remedy for the existing conditions, and would be something positive.

If it is true, as is conceded here, that the Sherman antitrust law supplies every remedy which this bill is supposed to afford, there is no use whatever in passing the measure. If, on the other hand, it affords a loophole and an indirect method by which those who are guilty of practicing these unfair methods upon the people can escape from being brought to justice under the Sherman law, then it is more than an innocuous measure, it is a dangerous one. It is, in that event, an evil measure and one which ought to be defeated in fairness to the people of this country.

The brilliant Democratic Senator from Missouri [Mr. REED] says:

Mr. President, this bill is entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes." I shall endeavor to show that, if it passes in its present form, the title ought to be stricken out, and it ought to be entitled "An act to apologize to unlawful restraints and monopolies."

This measure has been loudly heralded as the Clayton antitrust bill. It should be now known as the "conference capitulation bill." Presumably it was brought forward as the legislative crystallization of the years-old Democratic promise that the trusts should be exterminated, root and branch. The people were led to believe that the Democratic Party, now in full possession of all branches of the Government, by this bill intended to make private monopoly, which has hitherto been characterized as "indefensible and intolerable," both unprofitable and dangerous.

In its inception this legislation was a challenge to the field of battle. In its finality it is a sort of Hague propaganda promulgated under white flags to the soothing melodies of "Peace on earth, good will toward the trusts."

The doctrine of extermination has given place to the policy of diplomatic negotiations to be conducted by various boards with the express understanding that, whatever the result, no law violator is to be hurt, no trust magnate is to be sent to jail, no rude sheriff or marshal is to lay his callous fingers upon the perfumed collar of a captain of industry.

The Sherman Antitrust Act has been upon the books for 24 years. During all that time it has disturbed the dreams and troubled the waking hours of trust magnates.

With brutal frankness and shocking candor it declares that "every person who shall make any contract, combination, in the form of trust or otherwise, or conspiracy in restraint of trade, or who shall monopolize interstate trade or commerce shall be guilty of a misdemeanor, and shall be punished by a fine not exceeding \$5,000 or imprisonment not exceeding one year, or by both." By positive command it directs the Department of Justice to enforce its drastic, harsh, and ungentle provisions.

We are now about to prescribe a new procedure which does not contain a single criminal penalty for trusts—not one.

Previous to the enactment of this legislation there was but one road the officers of the law could travel in pursuit of a conspirator against commercial independence.

We have now provided another legal highway, the great length and numerous meanderings and sinuosities of which eventually lead to certain hybrid tribunals called commissions, without power even to enter a final decree. They can neither levy a fine, enforce a mandate, nor send a single culprit to jail.

After time has for years run its weary course and the ingenuity of counsel has at last failed to furnish an excuse for misconduct or to find escape in legal technicality, the worst fate the trust can suffer is that it may be directed to stop some particular practice, in which event the trust magnate's disappointment is palliated by the consoling reflection that he retains the loot, is in no danger of the jail, and is free to devise some new and equally safe plan of plunder.

When the Clayton bill was first written it was a raging lion with a mouth full of teeth. It has degenerated to a tabby cat with soft gums, a plaintive "meow," and an anemic appearance. It is a sort of legislative apology to the trusts, delivered hat in hand and accompanied by assurances that no discourtesy is intended.

It is now confessed, therefore, by one of the sponsors of this bill that it is not intended to touch the trusts and monopolies. I say that the people of the United States have expected us "to touch trusts and monopolies," and I am glad to be met in the early part of this discussion with an admission that we have not laid so much as a finger upon them.

Oh, this is a great antitrust Congress! Compared with the Congress that put upon the statute books the Sherman Act, we appear as would a lot of wet nurses in comparison with soldiers on the field of battle, arms in hand. If we had the original Sherman Act before this Congress, the "trust busters" of the present day and generation would shy like the country horse of 15 years ago did at the sight of an automobile. You would not find this Congress using such violent and offensive language as this:

"Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal."

"What would this Congress do if asked to enact into law this fearful language, which follows that which I have just read?"

"Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor."

Well, old John Sherman and the Republicans of that day did pass that law. Their "little fingers were bigger than our loins." Theirs was the spirit of the eagle; ours that of the barnyard fowl.

I make contention because I believe this bill is a betrayal of the Democratic Party and of the country. I do not care how innocent that betrayal may be. I do not care how much of good faith



may have gone along with it. As I view this legislation it is an absolute turning around, a facing about by our party. We march now to the rear, where we promised the country to advance to the front.

On this side of the Chamber the senior Senator from Idaho [Mr. BORAH] says in his able address:

In other words, Mr. President, this is another step indicating a complete change of policy upon the part of the Government with reference to dealing with monopolies and trusts. It is a confirmation of steps which have heretofore been taken along that line, and, indeed, must be considered as in a measure a final approval of the change of policy.

The fact, Mr. President, that the Sherman law remains upon the statute books does not at all mollify my opposition to this law; neither does it, in my judgment, change the fact that we are changing our policy with reference to it, because it is not a question of the Sherman law remaining upon the statute books, but the question is, Are we preparing to abandon the enforcement of the Sherman law and to ignore that method and manner of dealing with monopolies and trusts, and are we preparing to take up another method which must be in its practical workings in contravention to the theory which is embodied in the Sherman law? Are we substituting a method of dealing with monopoly, which substituted method will strengthen the argument of those who disbelieve in the Sherman law and the principle upon which it was founded?

I think that the supporters of the bill will agree with me that it establishes two things pretty conclusively. First, that it is in support and in aid of the Trade Commission principle, to wit, the regulation of monopolies, because that is what it will result in; and, secondly, that the enforcement of the criminal law with regard to trusts is undesirable, if not ineffective. Both of these propositions are in clear contravention to the whole theory and every principle of the Sherman law.

There will be but one interpretation placed upon these acts, and justly so, when they are thoroughly understood, and that is that the Congress of the United States has in its wisdom determined that the course which has been heretofore pursued has been a failure; that the ultimate success for which we hoped can not be realized; and that, slowly, it is true, but step by step, we are changing the policy and are undertaking to regulate and control these vast monopolies and combines instead of destroying them.

Mr. President, I am perfectly willing to concede to some of those who take that view the same integrity of purpose, the same patriotism which those who are opposed to it claim for themselves. They may be right. It may be that we shall be driven to that course. It may be that that is the only successful way, or if not the only successful way the only partially successful way, in which we can deal with these questions. But, speaking for myself, I am not ready to adopt that policy. I am not willing to concede the proposition. I am so firmly convinced that in the present condition of the Sherman law as interpreted by the Supreme Court it can be successfully enforced, and I am so firmly convinced that its successful enforcement will be to the ultimate good of the people of this country, yea, more necessary for the ultimate preservation of the Republican institutions of this country, that I can not bring myself to yield in the first struggle for this new policy. I look upon the very existence of these monopolies, these vast and powerful combines, as so fraught with evil, so destructive of every theory and principle upon which a republic is built, that I must oppose to the last any policy which would tolerate them.

I want to see legitimate business protected and I want to see it prosper. I want to legislate upon the theory that 98 per cent of our business men are honest and conduct their business upon an along honorable lines. I want to hold to the wise and most salutary rules wrought out by human experience that, except in most urgent and in most exceptional instances, men should be left free to work out through their own initiative and self-help their own salvation and that bureaucracy is as blighting to the energies of free men as the August frost to the husbandman's hopes. But I do not want to see, either now or hereafter, any compromise with illegitimate business or dishonest methods through and by means of which great monopolies are built up. I want the same kind of punishment administered to theft, however it may be committed. Upon these lines I want to see legislation framed.

In my judgment there is only one way in which to deal with that class, and that is to destroy their power absolutely. I think the Attorney General, as was said by the Senator from Missouri [Mr. REED], has stated the fact correctly, that the fault with the Sherman law has been its lack of enforcement. There seems to be a view to the effect that that act is incomplete; that its definitions, as announced by the court, are difficult to understand; that men have difficulty in knowing what they are to do; and that it is incomplete and insufficient to accomplish the purposes for which it was passed.

That law was passed, Mr. President, in 1890, and has been upon the statute books now for over 23 years. For only about 6 or 7 years during its existence has there been any real attempt, in my judgment, to enforce it. It contains a provision for injunctive relief against the formation of these combines, a provision for the punishment of those who violate it, a provision for the forfeiture of property, and a provision for the dissolution of the combines after they are formed. It is wide-reaching, comprehensive, and now, under the decisions of the court, it covers every conceivable form of monopoly or of monopolistic practice. It is not a question of the insufficiency of the law, therefore, but it is a question of its enforcement.

I am opposed to this scheme, which has for its effect, if not for its purpose, to draw the fight away from monopoly and expend our energies and our time in overseeing those who need no overseeing and who need no surveillance. I know why it is done, and everyone who reflects upon the situation knows why it is done.

The senior Senator from Minnesota [Mr. NELSON] says:

What does the antitrust law provide? It provides that any restraint or any monopoly is obnoxious to the law. Now, you have injected into this statute the word "substantially." We have gotten rid of the word "reasonable," according to the expression of Chief Justice White in the Tobacco case, but now you are injecting a new term into it; and that raises the question as to what "substantial" or "substantially" means. What is a "substantial" lessening of competition? That phrase has been injected into the bill ex industria in a great many points, and it tends greatly to weaken it, to lead to confusion, and to

further hairsplitting arguments. There is no such qualification in the antitrust law. It does not say "substantially to restrain trade" or "substantially to create a monopoly."

I submit that if we intend to legislate so as to afford remedies to the public; if we intend, as has been proclaimed and given out from the house-tops, to strengthen the antitrust law, give ampler remedies to the public, and aid that law in its enforcement, the poorest way to do it is to emasculate it and dilute it, as we have done in the case of section 2 of the conference bill.

So, Mr. President, in conclusion I want to say that while this bill was launched with a great blare of trumpets as a measure that was calculated to fortify the antitrust law, to give greater and more comprehensive remedies against trusts, and to give ampler latitude to labor organizations, yet in all of these respects it is diluted and emasculated and an utter failure as a remedial measure. As a strengthening of the antitrust law it is an abject failure; and in respect to the legislation asked for by labor organizations, it is to a large extent a failure, and fails to give them what they looked for and expected.

And the junior Senator from Minnesota [Mr. CLAPP] says in regard to the bill as agreed to in conference:

I want to say, having been a participant in this legislation, having been a watchful attendant upon these proceedings, without any hesitation and without impugning the motives of any man, that the adoption of the conference report in its present form upon the antitrust bill known as the Clayton bill is an absolute going backward upon this great question.

I do believe that the invisible government has fastened upon this administration. I believe that invisible government is tightening its hold day after day, and I believe now what I did not believe when I voted for the Trade Commission bill or for this bill in the Senate, that these bills and the postponed third bill, which will be the great remedy to deal with securities, are part and parcel of a program; but I can not believe that any man possessing the ideals of the President is conscious of this surrender and this betrayal.

Now, after 18 months of legislation, we have a Trade Commission which violates a principle which was one of the cardinal features of the campaign of 1912. We have this Clayton bill, so called, the antitrust bill, with a report of the conferees that absolutely strips it of its strength, of its vigor, and of its value. I, for one, hope that the Senate will be able to reject this report; that whatever this mysterious force is that to-day is closing down upon this Government, it may here meet a Waterloo; that whatever that force may be in its personal equation, it will find that it is unsafe to put forth its tentacles to smother the aspirations, the hopes, and the purposes of the American people.

The junior Senator from Nebraska [Mr. NORRIS] says:

Mr. President, it seems to me that it can be truthfully said that we will never be able to settle the trust question until we either make it unprofitable for a trust to organize or surround trust magnates with such criminal laws as will make it dangerous for them to organize. That danger, if we resort to that method, must be so certain as to amount almost to a conviction, and when we put into the law little words that will enable them in court to offer unusual evidence, to secure delays, to resort to technicalities—when we incorporate in the law such words as the word "substantially," which has been so often used throughout this bill in different places by the conferees, we only give the trusts and trust promoters additional avenues of escape.

The kind of legislation that I have outlined would not be harmful to business; it would not injure honest men; it would do no injury to those who were obeying the law. If we want to handle the trusts and trust magnates lightly and gingerly, as this conference bill will handle them, we might just as well give them license to prey upon the people and the country without limit.

It is of interest to note in this connection that the Democratic platform did not declare for a Federal Trade Commission. And in the New Freedom I find the following in regard to a trade commission:

On page 201:

If the Government is to tell big business men how to run their business, then don't you see that big business men have to get closer to the Government even than they are now? Don't you see that they must capture the Government, in order not to be restrained too much by it? Must capture the Government? They have already captured it. Are you going to invite those inside to stay inside?

On page 202:

At the least, under the plan I am opposing, there will be an avowed partnership between the Government and the trusts. I take it that the firm will be ostensibly controlled by the senior member. For I take it that the Government of the United States is at least the senior member, though the younger member has all along been running the business. But when all the momentum, when all the energy, when a great deal of the genius, as so often happens in partnerships the world over, is with the junior partner, I don't think that the superintendence of the senior partner is going to amount to very much.

On page 206:

The Roosevelt plan is that there shall be an industrial commission charged with the supervision of the great monopolistic combinations which have been formed under the protection of the tariff, and that the Government of the United States shall see to it that these gentlemen who have conquered labor shall be kind to labor. I find, then, the proposition to be this: That there shall be two masters, the great corporation, and over it the Government of the United States; and I ask who is going to be master of the Government of the United States? It has a master now—those who in combination control these monopolies. And if the Government controlled by the monopolies in its turn controls the monopolies, the partnership is finally consummated.

On page 210:

Moreover, under the system proposed most employers—at any rate, practically all of the most powerful of them—would be, to all intents and purposes, wards and protégés of the Government, which is the mas-



ter of us all, for no part of this program can be discussed intelligently without remembering that monopoly, as handled by it, is not to be prevented, but accepted. It is to be accepted and regulated. All attempt to resist it is to be given up. It is to be accepted as inevitable. The Government is to set up a commission whose duty it will be not to check or defeat it, but merely to regulate it under rules which it is itself to frame and develop. So that the chief employers will have this tremendous authority behind them; what they do they will have the license of the Federal Government to do.

On page 214:

There has been a history of the human race, you know, and a history of government; it is recorded; and the kind of thing proposed has been tried again and again and has always led to the same result. History is strewn all along its course with the wrecks of governments that tried to be humane, tried to carry out humane programs through the instrumentality of those who controlled the material fortunes of the rest of their fellow citizens.

I do not trust any promises of a change of temper on the part of monopoly. Monopoly never was conceived in the temper of tolerance. Monopoly never was conceived with the purpose of general development. It was conceived with the purpose of special advantage.

If you will point me to the least promise of disinterestedness on the part of the masters of our lives, then I will conceive you some ray of hope, but only upon this hypothesis, only upon this conjecture—that the history of the world is going to be reversed and that the men who have the power to oppress us will be kind to us and will promote our interests, whether our interests jump with theirs or not.

Since that time, however, the President appears to have changed his view, to have become convinced that the men controlling big business are capable of changing their temper and tactics. In his address to Congress, January 20, 1914, he says:

The great business men who organized and financed monopoly and those who administered it in actual everyday transactions have year after year until now either denied its existence or justified it as necessary for the effective maintenance and development of the vast business processes of the country in the modern circumstances of trade and manufacture and finance; \* \* \* At last the masters of business on the great scale have begun to yield their preference and purpose, perhaps their judgment also, in honorable surrender. \* \* \*

The antagonism between business and government is over. \* \* \* The Government and business men are ready to meet each other halfway in a common effort to square business methods with both public opinion and the law.

My view is that when it is a question of "squaring business methods with both public opinion and the law," the Government should not meet those business men who have been violating the laws halfway any more than persons violating other laws are met halfway.

When serious contest ends, when men unite in opinion and purpose, those who are to change their ways of business joining with those who ask for the change, it is possible to effect it in the way in which prudent and thoughtful and patriotic men would wish to see it brought about, with as few, as slight, as easy, and simple business readjustments as possible in the circumstances, nothing essential disturbed, nothing torn up by the roots, no parts rent asunder which can be left in wholesome combination.

I do not know just how others read this, but to me it looks like an appeal to treat the trusts gently.

The President continued:

Fortunately no measures of sweeping or novel change are necessary. It will be understood that our object is not to unsettle business or anywhere seriously to break its established courses athwart.

The business of the country awaits, also, has long awaited, and has suffered because it could not obtain further and more explicit legislative definition of the policy and meaning of the existing antitrust law. Nothing hampers business like uncertainty. Nothing daunts or discourages it like the necessity to take chances, to run the risk of falling under the condemnation of the law before it can make sure just what the law is. Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible—at any rate, up to the limits of what experience has disclosed.

I do not believe that the persons forming the big trusts have been in doubt as to whether the antitrust law was intended to prevent what they were doing. What they may have been in doubt as to was whether adroit counsel might find a loophole somewhere in case they were prosecuted under the Sherman Act.

Quoting the President further:

And the business men of the country desire something more than that the menace of legal process in these matters be made explicit and intelligible. They desire the advice, the definite guidance, and information which can be supplied by an administrative body and interstate trade commission.

I will quote again from the speech of the junior Senator from Minnesota [Mr. CLAPP]:

Recurring now to the year 1912, it was my privilege to sit as chairman of the Senate Committee on Interstate Commerce during the long hearings which were held upon the trust question. One after another, as the great trust magnates came before that committee, with this theory or that, in the last analysis nearly every one reached the point where he wanted a body of men in Washington that he could come to, sit down with, and discuss the situation. It was then, with much astonishment, that I beheld the Executive apparently viewing with favor the proposition to establish a Trade Commission. He had suggested a Trade Commission, but had carefully safeguarded in his suggestion giving that Trade Commission any authority to declare what was or what was not illegal.

The Trade Commission bill, however, came in, and I for one voted for it. I voted for it with some misgiving, but I realized that we can not always have such legislation as we want, and if the Trade Commission bill was fairly and loyally administered it might prove a benefit to the country. \* \* \*

I voted for that measure because, as I say, I felt that, perhaps, if it were wisely administered, it might be of service to the country. I am now satisfied that it was part and parcel of a policy of which I believe the President himself is ignorant, of which I believe even the conferees—I mean, of course, the Democratic conferees, who signed the report, for the Republican conferees refused to sign it—on this bill are ignorant: a policy to put this Government back into the hands of "big business."

Mr. President, whether time shall show this legislation to be wise or unwise, whether experience shall demonstrate that it is beneficent or otherwise, I can come to no other conclusion but that it is not in accordance with the Democratic platform promises as they were interpreted by the party's candidate for President.

Regarding the term of President, the Democratic platform says:

We favor a single presidential term, and to that end urge the adoption of an amendment to the Constitution making the President of the United States ineligible for reelection, and we pledge the candidate of this convention to this principle.

Just why this plank was inserted I shall not undertake to say, but it is evident that our Democratic friends have forgotten its existence. There is no attempt being made to secure the amendment of the Constitution, as indicated, and I am inclined to believe that no attempt will be made under the present administration.

The Democratic platform further says, with reference to the Panama Canal:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

We all remember what happened to this policy, in spite of the declaration of the platform that "our pledges are made to be kept when in office as well as relied upon during the campaign," and in spite of their presidential candidate's declaration that their platform was not "molasses to catch flies."

The platform plank on banking and currency is as follows:

We oppose the so-called Aldrich bill or the establishment of a central bank; and we believe the people of the country will be largely freed from panics and consequent unemployment and business depression by such a systematic revision of our banking laws as will render temporary relief in localities where such relief is needed, with protection from control or domination by what is known as the Money Trust.

Banks exist for the accommodation of the public, and not for the control of business. All legislation on the subject of banking and currency should have for its purpose the securing of these accommodations on terms of absolute security to the public and of complete protection from the misuse of the power that wealth gives to those who possess it.

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, National and State, without discrimination as to locality upon approved securities and subject to call by the Government.

In the New Freedom Mr. Wilson says, page 77:

There is the currency question. Are we going to settle the currency question so long as the Government listens only to the counsel of those who command the banking situation?

The currency bill which became a law, however, was not drafted so as to contain the provisions which a person reading the platform pledges and Mr. Wilson's statement might have expected. Its reputed author was at the time the editor of the New York Journal of Commerce, and with his environment it might justly have been expected that in his view the most important feature of a currency system would be the effectiveness with which the bankers and financial interests might marshal and reinforce their resources rather than the guarding of the interests of those whom the banking system is supposed to serve, and that he would be inclined to consider the prosperity of the banks rather than the welfare of their patrons.

In the New Freedom, page 184, I read:

However it has come about, it is more important still that the control of credit also has become dangerously centralized. It is the mere truth to say that the financial resources of the country are not at the command of those who do not submit to the direction and domination of small groups of capitalists who wish to keep the economic development of the country under their own eye and guidance. The great monopoly in this country is the monopoly of big credits. So long as that exists our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is privately concentrated. The growth of the Nation, therefore, and all our activities are in the hands of a few men who, even if their action be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved and who necessarily, by very reason of their own limitations, chill and check and destroy genuine economic freedom. This is the greatest question of all, and to this statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men.

This Money Trust, or, as it should be more properly called, this Credit Trust, of which Congress has begun an investigation, is no myth. It is no imaginary thing. It is not an ordinary trust like another. It doesn't do business every day. It does business only when there is occasion to do business. You can sometimes do something large when it isn't watching, but when it is watching you can't do much. And I have seen men squeezed by it. I have seen men who, as they themselves expressed it, were "put out of business by Wall Street," because Wall Street found them inconvenient and didn't want their competition.



Mr. President, I must say that I do not believe that anyone who has been intimately associated with men responsible for the conditions which are so clearly outlined in President Wilson's words, even though he may have had no part in the creation of those conditions, is the proper person either to draft a banking law for the country or to be placed on a board to carry the system into effect. So far as the remedying of these conditions by the new banking system is concerned, it does not appear to me that it will have any such result.

The new system is a bankers' system, made for the bankers and controlled by bankers. Attention may be called to the Federal Reserve Board, but I believe it will be found that when the system finally is put into operation the board will have little power to control its operations; that these will depend on the will of the Federal reserve banks and the member banks, and the latter have been bound together into an organization which enables them to control the banking industry and credits all over the country, with no competition and with responsibility to no one. The instruments of government having anything to do with the system are instituted to look after the solvency of the banks and the welfare of the banks, and there is no governmental agency to see that the power to control credit is not misused. Manufacturers, or persons engaged in any other line of business except banking, forming such a combination as has been provided for in the new banking and currency law, would be prosecuted under the Sherman Antitrust Act. It may be that the law will not directly aid the Money Trust in securing greater control over the credit of the country; it certainly will not make it any more difficult. It appears to me that it will make it easier to the extent that an organization has been legalized and perfected with nothing to prevent the Money Trust from securing control.

This law also provides for the issue of currency based on commercial paper, and the only limitation on the issuance of such currency is the supply of gold required as a reserve against it. At present the law requires a reserve of 40 per cent, in gold, against the amount of currency outstanding. How long it would be before there would be pressure for a reduction of the amount required as reserve I shall not undertake to say. The readiness with which the bills liberalizing the requirements of the Aldrich-Vreeland Act were passed this summer, and with which, on the recommendation of the Federal Reserve Board, the Senate passed the bill which authorizes the Federal Reserve Board to permit banks to keep all of their reserves in the Federal reserve banks—without retaining any in their own vaults—rather indicates to me that there would be danger that if the banks should consider this requirement as to a reserve against outstanding currency burdensome they might not have much difficulty in having it reduced. Even if this requirement should not be changed, however, it appears to me that there is danger of inflation, as attention was called to at the time of the passage of this act. And I may add, in this connection, that it appears to me that there is danger of this under the modified Aldrich-Vreeland Act, as now put into operation. Under the provisions of this act additional currency has been put into circulation, so that on October 1, 1914, there were outstanding national bank notes to the amount of \$1,050,869,169, as against \$709,677,098 October 1, 1913, a gain of more than \$351,000,000, or about 50 per cent. The contraction in the rest of our currency was only a small fraction of this. The money of all kinds in circulation was greater than a year ago by \$292,270,626. And the end of the increase in our currency is not yet. All the bank notes under the Aldrich-Vreeland Act have been issued within the last two months. As was to be expected, the greater part of the issue went to the money centers, New York City getting almost one-half of it. Whether, as has been charged, it is being used to finance speculation and gambling in farm products I shall not undertake to say, but I believe it would have been well to have investigated the matter before deciding to ask additional taxes of \$100,000,000 rather than withdraw part or all of the \$75,000,000 at present on deposit in the banks.

The Secretary of the Treasury announced some time ago that \$30,000,000 to \$50,000,000 had been, or would be, furnished the national banks in the different States in order to move the crops. It appears that instead of this sum only \$13,029,746 had been deposited for this purpose up to September 28. Five States had received a million or more, namely, Kentucky, \$1,375,000; Maryland, \$1,450,000; Illinois, \$1,200,000; Missouri, \$1,550,000; and New York, \$1,000,000. These are hardly the States in which we have been accustomed to believe there was need of money for moving the crops. Kansas, which, if the estimates of the Agricultural Department are correct, this year produced a greater wheat crop than any State has every previously produced, has received \$25,000 to help move its immense crop.

Twenty-five States, including North Dakota and South Dakota, have received none of this money. I do not say that the States which have not received any of this money have been discriminated against, since the banks in these States may not have considered that they needed any of these funds and consequently may not have asked for any, but it is evident that whatever the money is used for not a very large part of it is used to move the crops.

With regard to rural credits, the platform said—

Mr. WILLIAMS. Mr. President, in regard to the last point upon which my friend the Senator from North Dakota has been dwelling, as he said only thirteen million and something had been deposited out of the amount which had been promised, I wish to say I am informed that the amount promised will be deposited; but it was thought to be more wise to deposit it in installments as it was needed, that it would be less calculated to breed speculation and overstimulate for the time being, tending to reflex action later on.

Mr. GRONNA. Mr. President, I have no doubt as to the honest purposes of the Government officials in doing what they believe is right, but, as a financier on a small scale, I claim that they are making a great mistake. I am only pointing out facts.

Mr. WILLIAMS. I am not undertaking to answer what the Senator is saying, nor to question it. I merely wanted to explain that particular objection which he has made. It is not a violation of faith, because the full amount will be deposited, and they think it wiser to deposit it little by little than to do it all at once.

Mr. GRONNA. On that point I do not disagree with my distinguished friend from Mississippi at all. But, Mr. President, now we come to a plank in the Democratic platform as to which the Senator from Mississippi and I probably would disagree. I shall read what the platform has said in reference to rural credits. If I may digress for a moment, I will say that if we had a rural credit system in vogue at the present time there would be no need of asking for any further legislation to help out the cotton situation in the Southern States. I am sure the Senator from Mississippi has given that great question study the same as he has most other great questions. I may be a crank upon the subject, but it seems to me that no law could be passed that would be of any greater or more substantial benefit to all the people than a thorough rural credit system, giving the producer at least an opportunity to say how our finances should be regulated and controlled and not placing the matter all in the hands of a few large banks.

With regard to rural credits, the Democratic platform said:

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance.

That is absolutely true; it is of equal importance. The Democrats were right when they said in their platform at Baltimore that it is "of equal importance," but what I am calling attention to is that you have failed to carry it out.

While the currency bill, however, became a law more than nine months ago, no rural credit bill has as yet been reported from the banking committee of either House. If the question of rural credits is of equal importance with the currency question, why this continued delay in taking it up for consideration? It certainly is not a more difficult question than the other. While we may differ as to what would be the best measure to pass, the diversity of opinion is not so great as it was on the currency question. If the same force which secured action on the currency question would exert itself in behalf of a rural credits bill, we should have legislation on the subject in short order. That is my belief. The present outlook, however, I regret to say, is not only that no legislation of this kind will be had this session, but that it is doubtful whether anything will be done during the next session.

And I wish to say that legislation of this kind is just as much needed now as when the platform was written. Although it has been widely heralded that the new banking law would give the farmers cheaper loans on account of the provision permitting national banks to lend a certain amount on farm lands, it has had no such effect. A large number of banks will not make such loans. As a matter of fact—and I weigh my words when I say as a matter of fact—I know that in my section rates on farm loans have actually increased during the last year.

With regard to the merchant marine, the platform said:

We believe in fostering by constitutional regulation of commerce the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the South, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

My friend from Mississippi and I do not disagree on that. I have followed his leadership in the House many a time when



he fought those battles on the other side in that body, and I believe I should be glad to follow him again.

The proposal now is to pass a bill providing for the purchase of merchant vessels by the Government for the benefit of our foreign trade. Without discussing its necessity or desirability I must say that it does not appeal to me that this is in accordance with the platform declaration, because the platform said it should be done without any burden on the Treasury. The bill which it is reported the President will insist on being passed when Congress reassembles will carry an appropriation of \$30,000,000, which can be obtained only by imposing "additional burdens upon the people."

I do not take issue with the policy; I simply comment, and I think I have the right, I think it is my duty, to comment on the fact that you have failed to carry out the definite promises you made in those solemn declarations.

The civil-service plank is as follows:

The law pertaining to the civil service should be honestly and rightly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party; and we favor a reorganization of the civil service, with adequate compensation commensurate with the class of work performed for all officers and employees; we also recommend the extension to all classes of civil-service employees of the benefits of the provisions of the employer's liability law, and we also recognize the right of direct petition to Congress by employees for the redress of grievance.

If the practice of passing laws taking various Government employees out of the classified civil service is continued, I presume that after a while even the most strenuous spoilsman will not object to the "honest and rigid enforcement" of the civil-service laws. The Democratic platform further says:

We favor such legislation as will effectually prohibit the railroads, express, telegraph, and telephone companies from engaging in business which brings them into competition with their shippers or patrons, also legislation preventing the overissue of stocks and bonds by interstate railroads, express companies, telegraph and telephone lines, and legislation which will assure reductions in transportation rates as conditions will permit, care being taken to avoid reduction that would compel a reduction of wages, prevent adequate service, or do injustice to legitimate investments.

I take it that a large majority of the people of the United States would favor that provision; at least, I favor it. By most people the latter part of this plank would undoubtedly be taken to mean that there would be substantial reductions in transportation rates, and presumably it was intended to be so understood. As a matter of fact, there has been no reduction in transportation rates; on the contrary, there have been some advances, and indications rather point to additional advances in place of reductions.

No bill preventing the overissue of stocks and bonds by common carriers engaged in interstate business has as yet come before the Senate, and it is now reported that it will not only not be taken up at this session but that it is not likely to be passed at the next session, and may be postponed indefinitely. Of course that is only conjecture on my part.

The platform also says:

We favor the establishment of a parcel post or postal express, and also the extension of the rural delivery system as rapidly as practicable.

The law providing for a parcel post was passed and the system was established during the administration of President Taft. In spite of the declaration in the platform for the rapid extension of the Rural Delivery Service, the Post Office Department is at present delaying the extension of the service and is holding up cases in which all the requirements of law and of the department have been met in order that the department may point to a record for economy at the end of the year. I do not believe that is the way to economize. The people pay for the Postal Service and have a right to demand that satisfactory service be given them. The action of the Post Office Department would be unwarranted under any circumstances, and it is squarely in opposition to the platform declaration.

The Democratic platform concludes as follows:

Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

The Democratic Party may have attempted to keep those pledges which, after getting into power, they decided should be kept. They have not attempted to keep all of them, and they have failed to keep most of them.

Mr. WEEKS. Mr. President, I desire to refer to two or three matters which have been discussed since this bill was taken up, not, however, going into details which have already been thoroughly covered by those who oppose the bill, both in the House and in the Senate, for I have no disposition to encumber the Record with matter which has already been printed or to take

the time of the Senate to go over subjects which have been thoroughly discussed.

The chairman of the Committee on Finance [Mr. SIMMONS], in presenting the bill, suggested that the Republicans were opposing it for political rather than for financial reasons, stating that it was necessary to pass legislation of this character or of some character which would produce additional revenue, and that in his opinion no Republican really wished to have the legislation fail, but was opposing it hoping to obtain some political advantage from so doing. There may be some basis of fact in that statement, and yet, Mr. President, I assume that no Republican would wish to have the Government insufficiently financed. I am one of those Republicans who believe that foreign conditions are such that the Government should not only be financed as it would be in ordinary times, but that it should even be stronger than in ordinary times, so that it might, if necessary, come to the relief of necessary matters which are within the provisions of law. The Treasury, in my judgment, Mr. President, is not now in good condition; in fact, relatively speaking, I think it is in weaker condition than ordinary demands justify.

The suggestion has been made by some of those discussing the bill that if the Government would withdraw from the national banks the moneys which are deposited in them it would carry the administration along for a few months at least, and that such moneys should be used before additional taxes are laid. There is some basis of truth in that statement, and yet if the Government withdrew from the national banks the money now on deposit in them and paid it out without having additional revenues to offset such expenditures the Treasury would be in a deplorable condition.

I find on examination of the daily statement of the United States Treasury for August 1 that the net balance in the general fund was \$142,741,000. That means that, including all gold, silver, and other moneys in the Treasury, all deposits in national banks, and all credits of postmasters and other officers on the asset side of the account, and assuming that all indebtedness which was current has been paid, there would be a balance left of the amount which I have stated.

On the 2d day of September, one month later, I find that the net balance in the general fund had decreased from \$142,741,000 to \$122,843,000, or about \$20,000,000 in one month. That means, of course, that the expenditures for that month exceeded the receipts by about \$20,000,000.

On the 8th day of October the daily statement shows that the net balance in the general fund was \$103,496,000, or about \$19,000,000 less than it was on the 2d day of September. Therefore since the outbreak of the European war the Government's expenditures have exceeded the Government's receipts by substantially \$18,000,000 a month.

It stands to reason that that condition can not continue for an indefinite time, so Congress must at some time make provision to take care of the appropriations which have been made. Up to that point I am quite in agreement with my Democratic friends, fearful though they are, I know, of the political effect which will result from the passage of a revenue bill of any kind at this time.

But what I object to, Mr. President, in their program is the reasons which are assigned for its necessity and the manner of raising the revenue. The latter objection is perhaps fundamental as between the Democratic Party and my own views of what should be done in such a contingency. The first is based on a juggling with figures, in my judgment.

I make this general statement: If the Payne-Aldrich Act had remained in operation during the past year to the 1st day of October, 1914, and the importations had been as large as they have been during the past year, we would have had ample revenue for all purposes, including the extravagances of the present Congress and the last Congress, and would have had as much surplus as we had when the Democratic Party took control of the Government March 4, 1913.

It may be said that the reduction of duties has increased the volume of importations. Quite likely it has had that effect, because I find on consulting the records that in the case of some articles, especially those which have been put on the free list, largely food products, the percentage of importations has increased enormously, and in every such case there has been a reduction in revenue.

I wish to call attention to a few of these items.

The value of the cattle imported into the United States for the 11 months ending August 31, 1913, was \$7,050,000. In the present year, during the same months, the importations amounted to \$19,018,000. Corn last year, for the same time, \$162,000; this year, \$9,937,000. Oats last year, \$38,000; this year, \$8,022,000. Hides and skins last year, \$100,278,000; this year, \$113,802,000. Sisal grass last year, \$15,885,000; this year, \$25,322,000. Show-

ing an increase in some cases of many hundreds per cent, and in very nearly every case of important agricultural products and many manufactured articles the increase has varied from 10 to 100 per cent.

I will put this table in the RECORD, with the permission of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered. The table is as follows:

*Imports of specified articles of merchandise into the United States, showing increases and decreases during the 11 months ending Aug. 31, 1914, as compared with 11 months ending Aug. 31, 1913.*

Articles.	11 months ending Aug. 31.		
	1913	1914	Increases.
Cattle.....	\$7,050,612	\$19,018,959	\$11,968,347
Corn.....	162,295	9,337,474	9,175,179
Oats.....	38,294	8,022,347	7,984,053
Hides and skins.....	100,278,753	113,802,680	13,523,927
Sisal grass.....	15,885,196	25,322,791	9,437,595
Fruits and nuts.....	41,675,451	49,876,634	8,201,183
Leather and tanned skins.....	7,984,279	13,911,061	5,926,782
Leather, manufactures of.....	8,911,080	9,457,109	546,029
Meat and dairy prod. cts.....	13,716,741	44,170,129	30,453,388
Paper and manufactures of.....	20,389,744	25,842,473	5,452,729
Flaxseed.....	4,046,735	11,787,874	7,741,139
Silk, raw.....	76,189,244	89,475,419	13,286,175
Vegetables.....	9,741,690	14,533,215	4,791,525
Wool, unmanufactured.....	27,701,791	57,837,962	30,136,171
Wool, manufactures of.....	15,034,231	37,691,059	22,556,828
Coffee.....	101,434,938	106,206,682	4,771,744
Sugar.....	92,582,161	101,411,535	8,829,374
Cotton, manufactures of.....	58,612,702	63,667,623	5,054,921
Fertilizers.....	15,964,664	20,991,436	5,026,772
Fish.....	14,134,959	17,373,990	3,239,031
Silk, manufactures of.....	25,950,023	29,391,103	3,441,080
Wheat.....	372,463	1,845,503	1,473,040
Sheep.....	100,441	586,987	486,546
Butter.....	293,430	1,810,449	1,517,019
Eggs.....	190,291	1,118,971	928,680
Cotton, unmanufactured.....	20,504,188	20,543,622	39,434

Articles.	11 months ending Aug. 31.		
	1913	1914	Decreases.
India rubber.....	\$80,574,807	\$62,411,424	\$18,163,383
Manila.....	10,957,899	8,798,733	2,159,166
Furs and manufactures of.....	22,363,278	10,712,175	11,651,103
Iron and steel and manufactures of.....	31,504,385	28,603,697	2,900,688
Tin in bars, pigs, etc.....	47,336,169	32,982,877	14,353,292
Diamonds.....	37,719,319	15,443,854	22,275,465
Wheat flour.....	350,788	340,686	10,102

Mr. WEEKS. Now, to return for one moment to the question of national banks:

The Government had deposits in the national banks on the 1st day of August of this year amounting to \$54,739,000. On the 2d day of September there were deposits of \$68,231,000, which had been reduced on the 8th of October to \$64,372,000. At no time, as far as these statements show, has the amount been as large as has been frequently stated in debate. One of the positions which our Democratic friends have taken in the past has been to criticize the operations of the Treasury under Republican administrations as to the manner in which moneys have been deposited in national banks, charging that favorite banks have been selected for these deposits. The truth of the matter is that, as far as possible, I think, such deposits were distributed throughout the country; but it was economically sound always to deposit moneys with reserve centers, because the reserve centers were the natural localities to which banks in the country would turn for assistance if they needed money.

The Senator from North Dakota has stated that there are 25 States which have not received any money during this year when money has been deposited for crop-moving purposes. I presume his statement is correct. I think he will find on investigation that in many cases banks were offered money and refused to take it under the terms made by the department. They preferred to rediscount with their reserve agents rather than to go through the operations necessary to obtain money from the Treasury, which frequently made it necessary to purchase securities which the Treasury, under its rules, would take as security for deposits.

Mr. McCUMBER. Mr. President, will the Senator yield to me just on that point?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WEEKS. Yes; I yield.

Mr. McCUMBER. That statement is not entirely accurate, certainly not as to the Northwest, because when we came to move the crop this year the important banks of St. Paul and Minneapolis were very desirous of getting some of the Government deposits. I called personally to see about assisting in securing some of those deposits for the movement of the northwestern crops, and was informed by the Secretary of the Treasury that practically all of the money he could possibly spare was South at that time. Although the request came very urgently from that section of the country, we were unable to secure any of the Government deposits for the movement of those crops.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. Yes; I yield.

Mr. BRISTOW. I desire to say also in that connection, with the permission of the Senator from Massachusetts, that a very urgent demand came from Kansas for money to aid in moving the great wheat crop, especially from Wichita, which is a thriving city in the wheat belt. I made an appeal to the Secretary of the Treasury, and he told me that the money had been assigned, and that there was none for Kansas other than the small amount referred to by the Senator from North Dakota in his speech. In order to obtain the money which conditions demanded, the banks were told that they would have to make their application under the Aldrich-Vreeland Act; and after some circuitous efforts, and with a good deal of embarrassment because of the annoyance of the operations of the system, they finally got some money after the emergency was over.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WEEKS. Yes; I yield.

Mr. GRONNA. I said a moment ago that I did not know whether or not the banks had made any application. My colleague has stated that he knows application was made. I do know, however, that the rates of interest are much higher this year. That is, the rates of interest the grain men—the so-called elevator men—must pay are much higher than they were last year, or years before. Ordinarily they can get money for from 4½ to 5 per cent. This year they are paying 8 per cent. I am so told by men engaged in that business.

Mr. NELSON. Mr. President, will the Senator from Massachusetts permit an interruption at this point?

Mr. WEEKS. Certainly.

Mr. NELSON. I desire to corroborate what the senior Senator from North Dakota has said. I joined him in making application, on behalf of the bankers of the Twin Cities, for money to move the crops. We failed to get a single dollar, however, and were simply told that the money had already been distributed, mainly in the South, and that our people must help themselves by means of the Aldrich-Vreeland Act; and that is what they have done. I was informed to-day by one of the prominent bankers from the Twin Cities that they have taken out between twenty and thirty millions of emergency currency under that law. It does not seem that the money that has been distributed in the banks of the South has been of any practical utility to the rank and file of the people.

I am not finding fault because the Secretary of the Treasury has deposited the money there. I think they need it more; and perhaps we of the Northwest, especially in Minnesota, are in a more fortunate condition this year than any other State in the Union, and are able to take care of ourselves with the currency that we get under the Aldrich-Vreeland bill. The money that has been deposited in the South may have afforded some benefit to the banks in certain localities; but for the public at large, the farmers and the merchants, it has not proved of any value at all, and they are here crying for relief of an entirely different character.

Mr. WEEKS. My statement was based, not on official figures, but on conversations I have had with Senators from different sections of the country.

I have no doubt the experiences of the Senators who have just testified may be relatively true as applied to certain sections of the country. Unfortunately, the Treasury Department does not furnish any statement of deposits in national banks, so it is impossible to know where Government moneys are deposited. It simply prints a list of national banks which are or which may have been at some time Government depositories, without any regard as to how much money is in them, or whether there is any money deposited in them at the time the list is printed.

Incidentally, in glancing over this list to-day I was somewhat surprised to find that the two largest banks in New York—the



National City Bank and the National Bank of Commerce—are not Government depositories, and therefore, of course, have no Government money; and, incidentally, I noticed that the name "Riggs National Bank of Washington" had red ink drawn through it, to indicate that it had ceased to be a Government depository. This fact will furnish evidence later on to prove that there has not been absolute impartiality on the part of the Treasury Department in its dealings with national banks under the present administration.

But, Mr. President, if all these deposits were withdrawn from the banks the Treasury Department would still not be suitably provided for this emergency, and therefore additional revenue should be raised. That being the case, what kind of a tax shall we lay? Shall we lay the kind of tax in which the Republican Party believes, to which it is committed—the tax which raises revenue and at the same time builds up our industries, and which, as far as possible, distributes its effects throughout the country—or shall we impose a tax on selected industries without having any testimony from those engaged in them as to the effect which the tax will have? Is it wise or fair to raise revenue in such a haphazard and illogical way?

It is not necessary to defend the war tax of 1898 in that respect. There was an emergency at that time, and it was necessary to raise money immediately, and therefore to lay a tax which could be applied at once and which would bring in revenue without delay. That condition, however, does not exist today. If the President had said to Congress, "Investigate this matter during the fall months," when Congress should be in adjournment, "and bring in a bill on the 1st of December," it would have been in ample time to have furnished the necessary revenue, and would have given those who were going to be taxed a chance to show what effect it would have on the industry in which they were engaged.

The Senator from North Carolina [Mr. SIMMONS] suggested yesterday, during a colloquy with the Senator from Michigan [Mr. SMITH] relating to the tax on beer, that it was a consumption tax, and that all the taxes proposed in this bill were, in fact, consumption taxes; and, as the Democratic Party is now putting a law on the statute books providing for such taxes, I shall assume that now it is in favor of a consumption tax. That has not always been the position taken by that party. It was not the position taken in 1898, when the positions of the two parties were reversed and the Republican Party was responsible for raising immediate revenue. The present chairman of the Ways and Means Committee of the House, who has always been a conservative Democrat and a man of sound judgment, but with some political principles of which I do not approve, stated during the debate on that bill:

Taxes levied on consumption, such as tariff and internal-revenue taxes, do not justly or equitably distribute the burdens of government. The man who has wealth may pay more taxes than the man who has not, because he may wear a few more clothes or smoke better cigars; but, in proportion to his wealth, you can readily see he does not begin to pay his fair proportion of taxes.

Now, one of the great objections to the measure now before the House that I have is that it does not attempt to equalize these burdens of taxation. The chief aim and object the Republican Party seems to have, as shown by the action of those it has intrusted with power, is to exempt wealth from taxation and make the toiling masses of the people bear the burdens of government.

Mr. SMITH of Michigan. From whom is the Senator quoting?

Mr. WEEKS. I am quoting now from the present chairman of the Ways and Means Committee of the House.

Mr. SMITH of Michigan. Mr. UNDERWOOD?

Mr. WEEKS. Mr. UNDERWOOD.

What is the bill they have brought before the House? \* \* \* It again lays additional taxes on consumption.

Which the Senator from North Carolina says is what this bill does.

It doubles the taxes on beer.

Which the Senator from North Carolina approves.

In the end the customer must pay for it by getting a less amount for his money. It increases the taxes on tobacco, and already in advance of the passage of the act the merchants have put up the price on their goods. They have invented innumerable stamp taxes that must annoy and harass the people.

I call the attention of the Senator from North Carolina to this statement:

This tax will fall almost entirely on the hard-working and industrious artisans, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth that is protected but never made to pay for the benefits received.

That was the view of the present chairman of the Ways and Means Committee in 1898. I do not know whether he has changed his views or not; but what he charged and denounced

at that time is exactly what this bill does, and if it were wrong then it is wrong now. It was necessary then, because we were engaged in war without any idea when and how it would end. But it is not necessary now, because we do not need the revenue to carry on the Government, as we did in 1898.

Mr. SMITH of Michigan. Nor for the same reason.

Mr. WEEKS. Mr. President, to raise the revenue necessary to carry on the Government during the immediate future, if I were responsible for it, I would restore the duties on those articles from which the duties were removed by the Underwood-Simmons Act, the result of which has not been of any benefit to any American citizen. I refer to the duty on sugar, which will cost this Government \$25,000,000 in revenue in the year beginning at the date when the provision as to sugar commenced to apply; the duty on wool, which in the first seven months of its operation has cost in revenue \$19,000,000, without reducing the price of wool or the products of wool in any respect; and the duty on many other articles, the price of which has not been reduced by the removal of the duty, a result which never happens, the foreigner always marking up his price to conform to the price of the market where he is selling. I would restore those duties, protecting our industries and our people and at the same time obtaining ample revenue to take care of this emergency.

The President stated in his message to Congress, which is really a message to the people of the United States—because his messages are always brief, they are always to the point, but they are not always accurate—that the loss in revenue in August was largely or almost entirely due to the falling off of importations, due to the war in Europe. It is that particular point which I wish to discuss in some detail, because the President is in a position to obtain accurate information from the departments of the Government; and when he comes to Congress and makes a definite statement of that kind, which can not be answered to the people of the country, because there is never a full opportunity to do so—no one else has the audience given the President—the people are apt to come to a wrong conclusion, as they will in this case, unless it is dinned into the ears of everyone with whom those who see the facts differently take the opportunity to discuss the matter in public. I think it can be conclusively demonstrated that there is little merit in the President's reason for the reduction in revenue, and, on the other hand, that it is almost entirely due to the reduction in duties as imposed in the Underwood-Simmons bill.

The free importations for the month of August in 1913 were \$70,062, and in the month of August, 1914, they were \$80,268,000.

The dutiable importations in August, 1913, were \$67,538,000. In the month of August, 1914, they were \$49,499,000. The total in August, 1913, was \$137,651,000, and in August, 1914, \$120,767,000, or a loss of \$8,000,000.

As a bald statement the President would ask us to believe that a falling off in importations of \$8,000,000 would produce a reduction in revenue of ten and a half million dollars—really eleven and a half million dollars. Of course that could not be possible, because there are no duties on any article that approach 100 per cent. The average rate of duty on all dutiable articles imported, even under the Payne-Aldrich law, was less than 50 per cent last year. In fact, the average ad valorem on dutiable imports in August, 1913, was 45.77 per cent. The ad valorem rate in August, 1914, was 39.26 per cent. The average ad valorem on all imports in August, 1913, was 22.47 per cent, and in August, 1914, it was 14.97 per cent.

In August, 1913, the percentage coming in free was 50.8 per cent. In August, 1914, it was 61.9 per cent.

If duties at the same rate on this year's importations had been levied that were borne by the importations which came in last year, the duties collected would have been \$29,158,834, instead of \$19,431,363, or \$9,727,000 more than was collected under the rates imposed by the Underwood bill.

In other words, if there had been no reduction in the rate of duty carried by the Underwood bill, all the loss of revenue in the month of August would have been made up, assuming that importations were the same, except \$1,776,000.

But in order to demonstrate the reason why this revenue fell off in the month of August, I am going to in detail give figures relating to different articles imported to show what the change in the rate of duty actually means in each specific case.

I will not take the time of the Senate to give all these figures, because it means going through the whole tariff bill, but I will ask permission to put into the Record as many of them as I think necessary in order to prove my contention, illustrating by referring to a few of them at this time.

The PRESIDING OFFICER (Mr. ASHURST in the chair). That order will be made, in the absence of objection.

August.	Importations.	Rate of duty.	Loss.	Duty if imported at old rate.
<b>CATTLE.</b>				
1913.....	\$2,425.00	Free.....		
1914.....	714,818.00	25 per cent.....		
1914.....	1,784,174.00	Free.....	\$178,704.50	\$446,043.50
<b>ALL ANIMALS.</b>				
1913.....	290,087.00	Free.....		
1914.....	794,636.00	27.55 per cent.....		
1914.....	2,253,132.00	Free.....		
1914.....	49,935.00	Dutiable.....	218,922.00	\$554,575.99
<b>CORN.</b>				
1913.....	273.00	15 cents per bushel.....		
1914.....	1,248,902.00	Free.....		307,505.10
<b>COTTON, AND MANUFACTURES OF.</b>				
<b>Unbleached cloth:</b>				
1913.....	45,183.00	41 per cent.....		
1914.....	45,307.00	18 per cent.....	10,392.09	18,575.87
<b>Bleached cloth:</b>				
1913.....	146,150.00	40 per cent.....		
1914.....	110,125.00	20 per cent.....	36,435.00	44,050.00
<b>Colored cloth:</b>				
1913.....	261,839.00	44 per cent.....		
1914.....	394,463.00	18 per cent.....	45,085.82	173,563.72
<b>Stockings:</b>				
1913.....	234,646.00	70 per cent.....		
1914.....	91,285.00	46 per cent.....	122,261.10	63,899.55
<b>CURED HERRING.</b>				
1913.....	359,201.00	12.88 per cent.....		
1914.....	293,717.00	Free.....	45,105.83	38,474.74
<b>SAWED LUMBER.</b>				
1913.....	1,789,790.00	Average 12 per cent.....		
1914.....	1,993,024.00	Free.....	214,774.80	239,522.88
<b>WOOL, AND MANUFACTURES OF.</b>				
<b>Cloth:</b>				
1913.....	797,326.00	92 per cent.....		
1914.....	1,440,065.00	35 per cent.....	229,517.17	1,324,853.80
<b>Dress goods:</b>				
1913.....	452,534.00	98 per cent.....		
1914.....	1,178,307.00	35 per cent.....	31,054.87	1,153,799.66
<b>Wearing apparel:</b>				
1913.....	269,635.00	79 per cent.....		
1914.....	212,411.00	45 per cent.....	117,433.70	167,804.69
<b>All others:</b>				
1913.....	117,348.00	80 per cent.....		
1914.....	622,261.00	23 per cent.....	* 49,241.63	497,808.80
<b>Total manufactures:</b>				
1913.....	1,947,922.00	81 per cent.....		
1914.....	4,023,422.00	46 per cent.....	* 272,264.39	3,253,971.82
<b>SUGAR CANE.</b>				
1913.....	10,214,366.00	63 per cent.....		
1914.....	13,809,636.00	48 per cent.....	* 189,244.70	2,259,350.10
<b>MACARONI.</b>				
1913.....	359,184.00	32 per cent.....		
1914.....	273,845.00	22 per cent.....	54,692.98	87,630.40
<b>LEMONS.</b>				
1913.....	688,121.00	60 per cent.....		
1914.....	454,588.00	16 per cent.....	340,138.52	272,552.80
<b>CHEESE.</b>				
1913.....	617,481.00	32 per cent.....		
1914.....	475,143.00	20 per cent.....	102,665.32	152,045.76
<b>GLOVES.</b>				
1913.....	935,489.00	45.44 per cent.....		
1914.....	604,917.00	33 per cent.....	225,463.59	274,874.28

\* Deducting same amount free as 1913.

\* Gain.

\* Had old duty remained, increase on 1914 importations would be \$2,259,350.10.

Mr. WEEKS. In 1913 the duty on cattle, substantially all kinds of cattle, was 25 per cent, and the importations were in value \$714,000. The revenue obtained was therefore \$178,704.

Cattle in the Underwood bill were put on the free list, and therefore if the importations in August for this year had been exactly what they were in August last year the loss of revenue in that one item would have been \$178,000.

But the importations of cattle in 1914 increased from 714,000 to 1,784,000, or about 150 per cent. They came in free, so that there was no revenue from those importations; but if the same rate of duty had been maintained and the importations had been what they were this year there would have been obtained a

revenue of \$446,000 from that one item. Therefore there is not only a loss to the Treasury of that amount which might have been collected, but a loss to the farmers who are producing cattle as a result of the competition coming from the importation of these cattle, and there has been no resulting benefit, as far as anybody can see, to any consumer or any other American.

The rate of duty on sheep in the Payne-Aldrich bill was 17 per cent. The importations were negligible. The duty actually received was \$886 in August last year. Therefore there is a loss in the case of sheep of \$886 revenue by putting them on the free list. But putting them on the free list increased the importations from 5,212 to 63,779, so that if the same rate of duty had remained as obtained in the Payne-Aldrich bill, the loss of revenue from the importations of sheep this year would be \$10,842. If the same number of sheep were not imported, with the duty as it was remaining last year, it would be so much better for our farmers.

All other animals under a separate heading in the tariff schedules carried a duty of 27.55 per cent. A few blooded animals came in free. All other animals were put on the free list in the Underwood bill. The duty collected last year was \$218,922. Therefore that is a loss to the Treasury this year. Assume that the same number of animals came in—as a matter of fact the number increased 200 per cent in importations, so that instead of 794,000 dutiable animals coming in, as in the last year, 2,253,000 came in this year—the duty at the old rate would have amounted to \$554,575. Therefore, assuming that the reduction in duty had no effect on the importations, there is a loss to the Treasury in revenues this year of \$554,000.

Take the case of breadstuffs—corn, if you please. All these figures apply to the month of August. There was substantially no corn imported under the old law. This year, in the month of August, 1,248,000 bushels were brought in. The old rate of duty was 15 cents a bushel. The present rate is free. Therefore there are a million and a quarter bushels of corn which have come into this country and which have not produced any revenue, but which, if the rate of 15 cents a bushel had remained as in the Payne law, would have produced a revenue of \$307,000. As a result we have, on the one hand, our farmers having to meet the competition of a million and a quarter bushels of corn imported, and, on the other hand, the Government losing the revenue which would have been obtained if the old rate of duty had been continued.

Take the case of oats. The importations of oats were negligible under the old law; 15 cents a bushel was the duty. This year the value of oats brought in has so increased that even at the reduced rate of duty from 15 cents a bushel to 6 cents a bushel there is shown a loss in revenue based on the old rate of \$8,245.26.

Mr. SMITH of Michigan. For what month?

Mr. WEEKS. These figures apply to August of this year and August of last year, and by them I hope to demonstrate that the loss of \$9,727,000 revenue is due to the reduction of duties imposed by the Underwood-Simmons bill.

I am not going to take the time to read any more of these figures, Mr. President, because I have permission to insert them in the Record, but it will be found on examination that in almost all items the result is similar to those instances which I have given. I will, however, submit the last one I have before me—leather and tanned skins. The average rate of duty under the old law was 11.59 per cent. The value of the skins imported amounted to \$656,000. The duty was removed by the Underwood bill, and as a result \$904,000 came in in August this year, or an increase of 50 per cent. The revenue last year amounted to \$70,429. That, in any case, is a loss to the Treasury. If the old rate of duty obtained and was applied to the importations of this year the revenues this year would have been \$104,786.

There are more important and larger items in this list of importations which I have here, such as wool and sugar and other great staples, which are of importance to everyone in all sections of the country.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WEEKS. I yield.

Mr. SIMMONS. I do not wish to engage in any controversy, but I wish to make an inquiry of the Senator. Suppose one-half of all the dutiable imports from Europe should fall off as a result of the war, does not the Senator think that as a result of that falling off the Government would get less revenue under the Payne-Aldrich bill than under the present tariff? That is, suppose the one-half amounted to \$250,000,000 in dutiable imports from Europe, would not the rates of the Payne-Aldrich bill, if applied to that loss in dutiable imports, raise more reve-



nue, and, therefore, if the imports do not come in, would we not lose more revenue than if the Underwood rates were applied?

Mr. WEEKS. The Senator from North Carolina is usually perfectly clear in the statements he makes, but I think the question which he has asked is somewhat involved, if I understand it—

Mr. SIMMONS. Then, if the Senator will permit me, I will try to relieve it of that embarrassment.

I am now speaking only with reference to receipts which the Government would lose as the result of a falling off of \$250,000,000 of imports which, I will say, come from Europe, or anywhere else, as far as that is concerned.

Mr. WEEKS. There is not any question about the volume of imports from Europe falling off during the continuance of the war. There will be a great falling off in the cases of those countries whose ports are blockaded—Belgium and Germany and Austria will be the principal sufferers, or are the principal sufferers at present. But if we do not get any imports from those countries during the continuance of the war, and assume the average rate of duty which all importations for the month of August, which is substantially 15 per cent, would apply to this loss, it would mean only about \$3,000,000 a month, or something like \$36,000,000 for the entire year. That would be the loss, assuming that we did not import a dollar's worth of goods from any one of those three countries.

Now, in the countries where the ports are open I assume that very largely our trade is going on as it has in the past, not quite to the same extent, possibly, and yet the exports which we are now making under these conditions are greater than they ever have been. I notice—

Mr. SIMMONS. I do not want to discuss that. I think the Senator has not yet quite caught the point of my question.

Mr. SMITH of Michigan. Let me ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield?

Mr. SIMMONS. I hope the Senator will allow me to ask the question.

The PRESIDING OFFICER. To whom does the Senator from Massachusetts yield?

Mr. WEEKS. I yield to the Senator from North Carolina.

Mr. SMITH of Michigan. I want to say, if I caught the suggestion of the Senator from North Carolina correctly, he meant that the average rate of duty under the Simmons law being less than the average rate of duty under the Payne law, the importations would be greater under the Simmons law than under the Payne law.

Mr. SIMMONS. No; I was not discussing that question at all.

Mr. SMITH of Michigan. That is what the Senator argued when the Simmons bill was passed.

Mr. SIMMONS. I was not discussing that question at all. The Senator entirely misunderstood me.

Mr. SMITH of Michigan. That was the argument made by the Senator when the bill was passed.

Mr. SIMMONS. I am not talking about the argument made at some other time. I am simply talking on the question now before us. It does not involve the suggestion of the Senator at all.

Mr. WEEKS. I yield to the Senator.

Mr. SIMMONS. The Senator, of course, understands that the Payne rates were higher than the present bill.

Now, let us assume that this year there was a falling off in imports from Europe of \$250,000,000. I do not know the exact value, but the imports from Europe amounted to \$510,000,000 worth of dutiable goods, I think.

Mr. WEEKS. The total for the 12 months ending June 30 was \$1,486,000,000.

Mr. SIMMONS. About \$500,000,000 worth of dutiable goods.

Mr. WEEKS. The dutiable goods under the present act are 38 per cent of the total importations.

Mr. SIMMONS. I think that is about right. Suppose we import from Europe \$250,000,000 worth of dutiable merchandise, would we not lose more money in revenue if the Payne rates were in force than if the Underwood rates were in force? Would we not lose more money?

Mr. WEEKS. If we assumed that we are going to import \$250,000,000 anyway, of course we would lose more under the present tariff than we would under the tariff which preceded it.

Mr. SIMMONS. Suppose you applied the Payne-Aldrich rate to the \$250,000,000, the amount would be greater, would it not?

Mr. WEEKS. The amount collected?

Mr. SIMMONS. Yes; if we applied the Payne-Aldrich rate of duty to the \$250,000,000 that does not come in, it would bring more money to the Treasury than if we applied to that \$250,000,000 the rates of the present law.

Mr. WEEKS. About 50 per cent more.

Mr. SIMMONS. Therefore, if those importations are cut off, the Treasury would lose more money as a result of that cutting off under the Payne law than it would under the Underwood law.

Mr. WEEKS. But there is not any assurance that they are going to be cut off, and whatever amount does come in the loss will be greater under the present law than under the Payne-Aldrich law.

Mr. SIMMONS. I was simply assuming it. I was simply asking the Senator to look at both sides upon that assumption.

Mr. SMOOT. That argument is that if both the poor fellow who has \$500 and the man who has \$1,000 are ruined, the fellow who has a thousand dollars is ruined the most. That is all there is to it.

Mr. SIMMONS. All there is in it is this: That with the Payne-Aldrich bill in force if we lose \$250,000,000 on our imports from Europe, the Treasury would lose more money than it would lose with the Underwood bill if there are like importations.

Mr. WEEKS. Mr. President, I assume that under the conditions which are going to exist the importations are going to be those that are absolutely necessary. If the rates of duty on the \$250,000,000 suggested are those imposed by the Underwood-Simmons bill they would produce a revenue of about \$37,000,000, and if they carried the rate of the Payne-Aldrich bill they would produce a revenue 50 per cent greater, or something like \$55,000,000. I think the importations would be substantially the same under present conditions whatever the rate of duty imposed.

Mr. SMITH of Michigan. Mr. President—

Mr. WEEKS. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I was impressed when the Senator from Massachusetts was detailing the increased volume of importations with the thought that under the present tariff law, which opens the doors so wide, we have really placed aliens and foreigners who do not come within our borders at all upon practically the same footing as our own citizens. We have torn down the barriers, and a Canadian can live in any Province of Canada and enjoy all the rights that are enjoyed by American citizens of trade in our busy marts of industry and commerce, and he has the added right of being able to avoid the deficiency tax bill which is now being laid upon American citizens, because he lives beyond its reach.

I can not help being impressed with the idea that instead of cheapening products to the consumer, instead of relieving our own people from burdens, the legislation for which Senators on the other side of the Chamber are responsible, and notably the distinguished Senator from North Carolina, who occupies his place on that side of the Chamber, they have minimized the importance and dignity of American citizenship. From every quarter of the globe the rights of our citizens to their own market has been impinged upon by the courtesy of Democratic free trade, and it has made it easy to bring the products of other men's genius in here in competition with our own.

Instead of the Senator from North Carolina getting his eye on the spigot in the barrel, he ought to take cognizance of the entire barrel and not attempt to differentiate between the revenues we would have derived under the Payne law and the revenues that we are not now deriving under the Simmons law; but he ought to consider the strength and the encouragement which would come to American business men and investors and industrial enterprises if the law which treated the American market place as the right of the American citizen had been maintained instead of passing it over to strangers who contribute nothing toward our welfare and nothing toward the genius of our institutions.

Mr. WEEKS. Mr. President, recurring once more to the statement of imports and exports, one of the most illuminating phases of it is that it demonstrates the fact that the Underwood-Simmons bill has worked directly against the producer in this country, in addition to being a poor revenue raiser. I will give here the figures which I think demonstrate the correctness of that statement:

Crude materials for use in manufacture, of which we should import as many as possible so as to give our workmen employment, increased in amount about \$34,000,000 for eight months ending August 31, 1914, over the same time in 1913.

Foodstuffs in crude condition and food animals increased about \$36,000,000.

Foodstuffs partly or wholly manufactured increased about \$47,000,000.

Both of those items work directly against the producers of food products in this country.

Manufactures for further use in manufacturing—that is, those that are partially manufactured, to go into finer products—decreased in amount about \$34,000,000.



Manufactures ready for consumption increased in amount about \$29,000,000.

Now, take the export side of that statement. We should manufacture in this country all the crude material possible and ship abroad the finished product. That would keep our workmen and our capital invested in manufacturing employed. Yet the exportation of these materials that should have been manufactured in this country fell off but \$3,000,000, while manufactured products decreased in the same time \$107,000,000, which would seem to be conclusive that the result of the working of the Underwood-Simmons bill has been directly against the interest of capital invested in production in this country and directly against the interests of the workmen employed in producing in this country, and, vice versa, favorable to capital and labor employed in foreign countries.

Mr. President, I am not going to take any more time now, except to suggest that the Democratic Party should have done what the whole tenor of their platform of 1912 promised to do—that is, to reduce the burdens of the people. If the Democratic Party got any support outside of those who are hidebound party members, it came on the theory that when the Democratic Party obtained power it would reduce the burdens of the people. I am perfectly willing to pause at any time when I have the floor to let any Democratic Senator state in definite mathematical terms in what way the Underwood tariff bill has reduced those burdens or in what way any legislation which has been passed since they took control of the Government March 4, 1913, has in any way reduced the people's burdens.

Not only have you been exceedingly extravagant in your appropriations, but only the half is told when the cold figures of the increased appropriations are published. Among other expenditures, you have provided for the building of a railroad in Alaska, to cost \$35,000,000. The House has passed a bill providing for the construction of good roads, which carries \$25,000,000. I submit that that bill as it came to the Senate would institute a system of "pork-barrel" legislation which would make anything that has been assumed to be legislation of that character look literally like nothing. It is so unscientific in its provisions that it ought not to be given a minute's consideration.

Then the President, since the European war came on, has recommended an appropriation of \$30,000,000 to buy ships for the Government to go into the carrying trade; since the war came on the Department of State has been urging the appropriation of \$25,000,000 to be paid to the United States of Colombia; within the same time we have had a recommendation from the State Department of an appropriation of \$3,000,000 for a similar purpose in the case of Nicaragua; and since the war came on we have passed the Trade Commission bill, which will require at least \$10,000,000 a year, if any considerable part of the duties of the Trade Commission are carried out. That makes a total of \$128,000,000 to which the Democratic Party is committed, in addition to the appropriations that have actually been made. So if we are to provide for their excessive appropriations, and if these appropriations which have been recommended by the President are to be made, it will not only require \$100,000,000 additional revenue, but in the near future it will require \$200,000,000. For that condition, I submit, the Democratic Party is entirely responsible.

In a word, Mr. President, I think the Government should have more revenue, but I think the way to get that additional revenue is to reimpose the former duties on sugar and wool and the other articles from which the duty has been removed without bringing any benefit to the American consumer.

I think when the President came to Congress he should have recommended as much economy as could be practiced and at the same time carry on the necessary functions of the Government. If he had done that, the subservient Congress which sits here in the Capitol would have carried out his recommendations, just as they are carrying out the preparation of this bill, which none of you want to pass at this time, but which you are going to pass because the President has recommended it.

Therefore, if we are not going to follow in the immediate future an economical policy in the conduct of this Government, the President must be directly responsible for the result; yet, if I believed the legislation providing for the levying of taxes which we are about to pass would produce sufficient revenue and at the same time be beneficial to the interests of the business men and the workmen of this country, and were not the illogical, haphazard tax unfair, which it is going to be when you have completed the bill, I would support it, because I believe the Government is going to need more revenue than can be obtained from the sources now available under present conditions.

The PRESIDING OFFICER. The first amendment reported by the Committee on Finance will be stated.

The first amendment of the Committee on Finance was, in section 1, page 1, line 4, after the words "tax of," to strike out "\$1.50" and insert "\$1.75," and on page 2, line 1, after the word "accordingly," to insert "Provided, That a discount of 5 per cent shall be allowed upon all sales by collectors to brewers of the stamps provided for the payment of said tax," so as to make the section read:

That there shall be levied, collected, and paid, in lieu of the tax of \$1 now imposed by law, a tax of \$1.75 on all beer, lager beer, ale, porter, and other similar fermented liquor, brewed or manufactured and sold, or stored in warehouse, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, for every barrel containing not more than 31 gallons; and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law. And section 3339 of the Revised Statutes is hereby amended accordingly: *Provided*, That a discount of 5 per cent shall be allowed upon all sales by collectors to brewers of the stamps provided for the payment of said tax: *Provided further*, That the additional tax imposed in this section on all fermented liquors stored in warehouse to which a stamp has been affixed shall be assessed and collected in the manner now provided by law for the collection of taxes not paid by stamp: *Provided further*, That until appropriate stamps are prepared and furnished, the stamps heretofore used to denote the payment of the internal-revenue tax on fermented liquor may be stamped or imprinted with a suitable device to denote the new rate of tax herein imposed, and shall be affixed to all packages containing such liquors on which the tax imposed by this act is paid. Any person having possession of unaffixed stamps heretofore issued for the payment of the tax on fermented liquors shall present the same to the collector of the district, who shall receive them at the price paid for such stamps by the purchaser and issue in lieu thereof new or imprinted stamps at the rate provided in this act.

The amendment was agreed to.

Mr. JONES. Mr. President, there are very few Senators here; I see no members of the Finance Committee on our side of the Chamber; and so I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Page	Sterling
Bankhead	James	Perkins	Stone
Borah	Johnson	Poindestexter	Swanson
Bristow	Jones	Pomerene	Thomas
Bryan	Kern	Saulsbury	Thompson
Camden	Lane	Shafroth	Thornton
Chilton	Lea, Tenn.	Sheppard	Townsend
Clark, Wyo.	Lewis	Shields	Warren
Coit	McLean	Shively	West
Culberson	Martin, Va.	Simmons	White
Fletcher	Martine, N. J.	Smith, Ga.	Williams
Gore	Myers	Smith, Md.	
Gronna	Norris	Smith, S. C.	
Hitchcock	Overman	Smoot	

Mr. TOWNSEND. The senior Senator from Ohio [Mr. BURTON] is necessarily absent from the Senate. He is paired on all votes with the Senator from Arizona [Mr. SMITH]. This announcement may stand for all votes to-day.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANDELL], and ask that this announcement may stand for the day.

Mr. SMOOT. I desire to announce that the Senator from New Hampshire [Mr. GALLINGER], the Senator from Utah [Mr. SUTHERLAND], and the Senator from West Virginia [Mr. GOFF] are necessarily absent and are paired, respectively, with the Senator from New York [Mr. O'GORMAN], the Senator from Arkansas [Mr. CLARKE], and the Senator from South Carolina [Mr. TILLMAN].

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum of the Senate is present.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 2, after line 20, to insert:

Sec. 2. That there be levied, collected, and paid in addition to the tax now imposed by law a tax of 5 cents per gallon upon each gallon of rectified whisky, or other similar rectified distilled liquor, distilled or manufactured and sold or stored, or rectified in warehouse, or removed for consumption or sale within the United States: *Provided*, That the additional tax imposed by this section shall be paid by appropriate stamps prepared, furnished, and canceled by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury.

Mr. GRONNA. Mr. President, I have received a great many letters and some telegrams from citizens of my State protesting against levying a war tax on intoxicating liquors. I shall burden the Record with but one of these communications, but I should like to have read from the desk a letter from Mrs. Elizabeth Preston Anderson, a very distinguished woman, president of the Woman's Christian Temperance Union of North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota asks that the letter to which he has referred be read from the desk. Is there objection? There being none, the Secretary will read as requested.



The Secretary read as follows:

NORTH DAKOTA SUFFRAGE CAMPAIGN HEADQUARTERS,  
Jamestown, N. Dak., August 29, 1914.

Hon. A. J. GRONNA,  
United States Senate, Washington, D. C.

DEAR SENATOR GRONNA: It is reported that because the war affects Federal revenues Congress is ready to put an additional tax on beer and whisky.

The original internal-revenue tax on intoxicating liquor was, as you know, a Civil War measure. It has never been possible to remove it because this tax has given the liquor traffic Government protection, and under it it has grown and flourished for 50 years.

Just now the liquor business is facing its final defeat, but a new tax on intoxicants now will give it a new lease on life.

On behalf of the Woman's Christian Temperance Union of North Dakota I beg you to use your vote and influence against this measure, which will set back the temperance reform for years.

With kind personal regards, I am,

Yours, sincerely,

ELIZABETH PRESTON ANDERSON.

Mr. MARTIN of Virginia. Mr. President, on yesterday, while I happened to be absent from the Senate, the Senator from Utah [Mr. SMOOT], in submitting some remarks on the revenue bill, which is before the Senate, took occasion to make some comments on the appropriations of public money during the present session of Congress. I will not undertake at any length to follow the Senator in the political campaign speech which he delivered on that occasion, but I simply wish to say enough to place before the country and before the Senate the facts in respect to appropriations made at the present session of Congress in such shape as will be convenient for reference and as will present the matter accurately.

I do not mean to charge that the Senator from Utah was inaccurate in the facts which he stated, but I do feel that his remarks did not present fairly to the country the matter to which he addressed himself.

I submit some tables, and ask that they be inserted in the RECORD. The first is a comparison of appropriations for the fiscal year 1915 with those for the fiscal year 1914. In the next place I submit a statement of those appropriations which are considered by me and which in fact are extraordinary appropriations and do not constitute a part of the regular expenditures for the support of the Government.

I submit another table comparing the appropriations for 1914 with those for 1915, which I will explain briefly when I get through with the list.

I submit another table which shows, in addition to the appropriations of public money, the contract authorizations for the payment of money.

In the next place, Mr. President, I submit a table comparing the appropriations in 1913, which were made when the Republicans were in control of the Senate, with the appropriations for 1915, which dates were the ones used by the Senator from Utah.

THE PRESIDING OFFICER. The Senator from Virginia submits certain tables, which he asks to have incorporated in the RECORD. Is there objection? There being none, they will be printed as requested.

The tables referred to are as follows:

Comparison of appropriations, fiscal year 1915 with 1914.

Title of bill.	Appropriations, 1915.	Appropriations, 1914.	Increase appropriations for 1915 over 1914.	Decrease appropriations for 1915 under 1914.
Agriculture.....	\$19,865,832.00	\$17,986,945.00	\$1,878,887.00	
Army.....	101,019,212.50	94,266,145.51	6,753,066.99	
Diplomatic and consular.....	4,309,856.66	3,730,642.66	579,214.00	
District of Columbia.....	12,172,539.49	11,383,739.00	788,800.49	
Fortification.....	5,627,700.00	5,218,250.00	409,450.00	
Indian.....	9,771,902.76	9,486,819.67	285,083.09	
Legislative.....	37,630,229.70	35,172,434.50	2,457,795.20	
Military Academy.....	997,899.54	1,099,302.87		\$101,403.33
Navy.....	144,868,716.61	140,800,643.53	4,068,073.08	
Pension.....	169,150,000.00	180,300,000.00		11,150,000.00
Post office.....	313,364,667.00	285,376,271.00	27,988,396.00	
River and harbor.....	20,000,000.00	41,073,094.00		21,073,094.00
Sundry civil.....	110,070,227.39	116,795,327.01		6,725,099.62
Total.....	948,848,783.65	942,689,614.75	45,208,765.85	39,049,596.95
Deficiencies.....	23,363,586.61	28,074,912.31		4,711,325.70
Miscellaneous.....	12,500,000.00	388,597.22	12,111,402.78	
Permanent annual appropriations.....	131,196,407.00	127,525,664.12	3,670,742.88	
Total.....	1,115,908,777.26	1,098,678,788.40	60,990,911.51	43,760,922.65

<sup>1</sup> This amount is approximated.

Increase appropriations for 1915 over 1914, \$17,229,988.86.

Extraordinary appropriations, 1915.

Investigation, treatment, and eradication of hog cholera.....	\$600,000.00
Railroads in Alaska.....	1,000,000.00
Relief of destitute American citizens in Mexico (urgent deficiency act).....	40,152.47
Transporting and caring for Mexican interned soldiers and refugees (urgent and general deficiency acts).....	670,000.00
Army act, increase over 1914 on account of Mexican situation.....	6,753,066.99
Deficiencies for the Army on account of Mexican situation (further urgent deficiency act).....	6,418,932.24
Naval act, increase over 1914 on account of Mexican situation.....	4,068,073.08
Deficiencies for the Navy on account of Mexican situation (urgent deficiency act).....	697,953.68
Deficiencies for the Navy on account of Mexican situation (general deficiency act).....	1,282,978.11
Relief, protection, and transportation of American citizens in Europe.....	2,750,000.00
Establishment of Bureau of War Risk Insurance.....	5,100,000.00
Total.....	29,381,156.57

Appropriations, 1914 and 1915.

Total appropriations, 1915.....	\$1,115,908,777.26
Total appropriations, 1914.....	1,098,678,788.40
Increase, 1915 over 1914.....	17,229,988.86
Extraordinary appropriations, 1915.....	29,381,156.57
Decrease appropriations 1915 under 1914 (less extraordinary appropriations, 1915).....	12,151,167.71
Increase, Post Office act for 1915 over 1914.....	27,988,396.00

Decrease appropriations for 1915 under 1914 (less extraordinary appropriations for 1915 and increase of Post Office act for 1915 over 1914).....	40,139,563.71
--	---------------

Appropriations and contract authorizations, 1914 and 1915.

Appropriations, 1914.....	\$1,098,678,788.40
Contracts authorized, 1914.....	68,505,174.00
Appropriations, 1915.....	1,115,908,777.26
Contracts authorized, 1915.....	28,060,000.00
Decrease appropriations and contract authorizations for 1915 under the same for 1914.....	23,215,185.14

Comparison of appropriations, 1913 with 1915.

Title of bill.	Appropriations, 1913.	Appropriations, 1915.	Increase, 1915 over 1913.	Decrease, 1915 under 1913.
Agricultural.....	\$16,651,496.00	\$19,865,832.00	\$3,214,336.00	
Arm.....	90,958,712.28	101,019,212.50	10,060,499.52	
Diplomatic and consular.....	3,638,047.41	4,309,856.66	671,809.25	
District of Columbia.....	10,670,733.00	12,172,539.49	1,501,806.49	
Fortification.....	4,036,235.00	5,627,700.00	1,591,465.00	
Indian.....	8,920,970.66	9,771,902.76	850,932.10	
Legislative.....	34,216,463.38	37,630,229.70	3,413,766.32	
Military Academy.....	1,064,668.26	997,899.54		\$66,768.72
Navy.....	123,225,007.76	144,868,716.61	21,643,708.85	
Pension.....	165,146,145.84	169,150,000.00	4,003,854.16	
Post Office.....	271,429,599.00	313,364,667.00	41,935,068.00	
River and harbor.....	31,059,370.50	20,000,000.00		11,059,370.50
Sundry civil.....	112,039,184.40	110,070,227.39		1,968,957.01
Total.....	873,056,634.19	948,848,783.65	88,887,245.69	13,085,098.23
Deficiencies and miscellaneous.....	13,149,652.60	35,863,586.61	22,713,934.01	
Permanent annual appropriations.....	133,206,424.12	131,196,407.00		2,010,017.12
Total.....	1,019,412,710.91	1,115,908,777.26	111,601,179.70	15,105,113.35

Increase, 1915 over 1913..... \$96,496,093.35  
Amount of increase of Army (\$10,060,499.52), Navy (\$21,643,708.85), and Post Office (\$41,935,068) acts, 1915 over 1913, and extraordinary appropriations (\$29,381,156.57) for 1915..... 103,020,432.94

Decrease, 1915 under 1913, less above sum..... 6,524,366.59

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. Do I understand the Senator disputes the figures which I submitted to the Senate yesterday in the form of a comparison?

Mr. MARTIN of Virginia. I stated to the Senate that I believed the Senator from Utah was substantially accurate, although there are some slight corrections which should be made, due, no doubt, to changes which have occurred since the Senator's tables were made up. For instance, the river and harbor bill contains an appropriation of only \$20,000,000.

Mr. SMOOT. That is shown by the figures given by me, Mr. President. I will say to the Senator that I had the figures

which I presented made up yesterday morning by Mr. Rea, who also compiled the figures which the Senator is presenting, I understand.

Mr. MARTIN of Virginia. I have no doubt that the figures were substantially accurate and were compiled by the clerk of the Committee on Appropriations, who also compiled the figures which I present.

Now, Mr. President, I wish at the outset, though I will not, I hope, drift into anything like a political speech, to say that I dissent from the idea that small appropriations are economical appropriations. It may be exceedingly economical to make large appropriations. The Democratic Party has never stood before the country as a party of small appropriations, but it has stood before the country as a party for only necessary appropriations economically expended. This country is great enough and rich enough and good enough to be entitled to first-class service, and the Democratic Party has undertaken to give to the country a first-class service in all departments of governmental activity. The country is progressing rapidly and its service must be enlarged to meet the demands of a growing country, and the Democratic Party has proposed, and still proposes, to meet the demands of a growing country and to supply not only as good a service as we have had in the past but a service commensurate with the growth and development and increase of population in the country.

The Senator from Utah on yesterday alluded, among other things, to the appropriation of \$400,000 for the enlargement of the post office in the city of Richmond. There is great and urgent and vital necessity for better post-office facilities at Richmond, and I would be glad, Mr. President, to see the Congress provide the money, even if they had to issue bonds, to furnish public buildings for the public service wherever they are needed; but, without any knowledge, I am sure, on the part of the Senator from Utah, he undertakes to criticize that as an extravagant appropriation. Of course he knew nothing about the facts of the case. Indeed, he characterizes every appropriation extravagant if it is an increase of a previous appropriation, a proposition from which I dissent most emphatically. I should like to see public buildings constructed in the city of Washington to provide every square foot of floor space needed for the dispatch of the business of the Government, and it would be an economical thing to do, because the Government is paying extravagant rents. More than reasonable rents are almost always exacted from the Government when it has to rent space for public work.

But, while criticizing this very necessary and economical expenditure of \$400,000 which has been authorized, if not actually made, the Senator complained because an appropriation of \$30,000 was not made to protect life and property in Alaskan waters, where the channels need especial care; in other words, he wants \$30,000 appropriated for deepening the water on the coast of Alaska, where there are only 35,000 white people and very little use for channels and very little use for increased depth of water, but the Senator from Utah, in preaching his economy, criticizes a just authorization at Richmond, Va., and complains because \$30,000 has been refused by the Congress of the United States for the reason that they did not think it necessary or economical to improve the waters adjacent to Alaska.

Again, Mr. President, the Senator from Utah criticizes the treaty which has been negotiated, but which has not been ratified, providing for paying \$25,000,000 to Colombia. That treaty has not yet been disposed of, but if it is necessary to ratify that treaty and expend that money, it is to make good the useless and reckless conduct of a Republican administration, which caused this trouble with the Government of Colombia.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. Certainly.

Mr. SMOOT. So that the record may be kept straight, I simply wish to correct the Senator's statement that the proposed appropriation of \$30,000 to Alaska was for the improvement of harbors. The appropriation was desired for the discovery of the pinnacle rocks, of which there are so many in Alaskan waters and which have caused the loss of so many boats. It was not alone for the benefit of the 35,000 people who live in Alaska, but for the benefit of the people who travel to and from there and the business that is done between the United States and Canada. The Senator knows that there are a large number of those rocks that are undiscovered. They are run into. Nobody is to blame. They are unsurveyed and unmarked. Nobody knows how many there are of them. That is why the \$30,000 was asked for.

Mr. MARTIN of Virginia. I did not say it was a river and harbor improvement. I said it was for the improvement of the waters adjacent to the coast of Alaska; that it was in the interest of the Alaskan people and the people who travel on the coast of Alaska. The Congress of the United States saw fit not to make the appropriation; but the Senator, while preaching economy with one breath, wailed against this economy practiced by a Democratic Congress. I do not think the Senator can make any political capital by arguments of that sort.

As to the proposed \$25,000,000 payment to Colombia, I say that it is to make amends, if it is done at all, for the wrongdoing of a Republican administration. If the Democratic Party is compelled to meet an obligation caused by the conduct of a Republican administration, it comes with poor grace from a Republican Senator to get up here and criticize it, even before it is done.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Idaho?

Mr. MARTIN of Virginia. Yes; I yield.

Mr. BORAH. If the Senator concedes that the \$25,000,000 is to be paid for the wrongdoing of a Republican administration, what was the wrong that the Republican administration did?

Mr. MARTIN of Virginia. I am not going into any discussion of the course pursued by the Roosevelt administration in the acquisition of the zone on which the canal is built. It is a mooted question. It is generally believed that violent and unjust measures were used, and, as my colleague to my left [Mr. WILLIAMS] says, high-handed measures; and I suppose there is no doubt about it. There is no doubt about the fact that a strong power dealt harshly and unreasonably with a weak power. They had something that we wanted, and by indirect means we took it.

Mr. BORAH. As I understand the Senator's position, then, it is that we wrongfully aided in the secession of Panama, and that this \$25,000,000 is being paid by reason of the illegal act of this Government in favoring that secession?

Mr. MARTIN of Virginia. That is exactly my belief about it.

Mr. BORAH. And it is that position, as I understand, that the Democratic Party takes in advocating the payment of this \$25,000,000?

Mr. MARTIN of Virginia. I take the position that if the Government of the United States wronged those people we ought to make amends for it.

Mr. BORAH. Exactly. Anybody would take that position—that if the Government of the United States wronged those people she ought to make amends for it. But do I understand that the Senator is now ready to take the position that the Government of the United States did wrong those people?

Mr. MARTIN of Virginia. I take the position that that matter will be investigated by the Senate of the United States before it ratifies the treaty, and if it finds that it must ratify the treaty and pay the \$25,000,000, it will be simply rectifying the wrongful act of a Republican administration.

Mr. BORAH. The Senator does not conclude himself at this time as to whether or not it was a wrongful act?

Mr. MARTIN of Virginia. I do not. I shall give that matter careful investigation. While my prima facie belief, on such information as has reached me, is that a wrong was done, and that we will have to rectify it, still I do not put that in the class of finalities. I will investigate that before I vote on the treaty.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. The Senator must admit that I did not touch upon the question whether it was right or wrong. I never referred to the point. I simply said that—

In addition to the appropriations already made, there are obligations created by this Congress, either as passed or recommended as administration measures, if reports are true, and for which no appropriation has as yet been made, as follows:

Then I named the five items, amounting to \$118,000,000, of which \$25,000,000 was for Colombia. I do not know how I could have said it in milder terms.

Mr. MARTIN of Virginia. I will show the Senator what he said.

Mr. SMOOT. I do not think the Senator will deny that the administration has recommended the payment of the \$25,000,000.

Mr. MARTIN of Virginia. The Senator stated—

Mr. SMOOT. Does the Senator deny that the administration has recommended the payment to Colombia of \$25,000,000?



Mr. MARTIN of Virginia. It is a matter of public knowledge that a treaty has been negotiated for the payment to Colombia of \$25,000,000 as a recognition of a just claim she has against the United States for the wrongful acts of a Republican administration.

Mr. SMOOT. Then, Mr. President, I am well within the bounds of the statement the Senator has just made, and all there is to it is that the administration has recommended the payment of the \$25,000,000. That is all I said yesterday.

Mr. MARTIN of Virginia. Let me read the Senator some language that he used on that occasion:

The administration asks us to appropriate \$25,000,000 to pay to Colombia as a gift without our receiving any return.

That is what the Senator said.

Mr. SMOOT. That is right.

Mr. MARTIN of Virginia. He attacked the Democratic Party because this administration was proposing to make a gift to the Government of Colombia. I take issue with him. The United States does not propose to make any gift to the Government of Colombia. We propose to investigate and treat fairly the obligations of the United States to a sister State to the south of us. If we have wronged her or robbed her or imposed upon her in any way, it is incumbent upon us to make amends. That is what the Democratic Party proposes to do. It is for that that the Senator from Utah arraigns the Democratic Party, and says it is a mere gift without our receiving anything for it. If it is a mere gift, and if we have received nothing for it, that treaty will never be ratified.

Mr. OVERMAN. Mr. President, I did not hear the Senator's speech. Is it possible that the Senator from Utah has called the attention of the country to the alleged extravagance of the Democratic Party in Congress here assembled, and put that down as one of the items when Congress has not made such an appropriation? Is it possible that he did that?

I can not conceive that the Senator would charge the Democratic administration with extravagance here, and put that down as one of the items when it was not included in the appropriation bill.

Mr. SMOOT. Mr. President, the Senator from North Carolina did not hear my speech, nor has he even looked at the RECORD, or he never would have intimated such a thing. The Senator from Utah never stated that the amount of \$25,000,000 was appropriated by this Government for Colombia.

Mr. OVERMAN. Then why did the Senator call attention to it? His speech was along the line of the extravagance of the Democratic Party.

Mr. SMOOT. Absolutely. I called attention to just the appropriations exactly—

Mr. OVERMAN. That is not an appropriation.

Mr. SMOOT. I will ask the Senator to wait a moment. I called attention to the appropriations that have already been made, amounting to \$1,115,908,777.26, and then I said:

In addition to the appropriations already made there are obligations created by this Congress, either as passed or recommended as administration measures, if reports are true, and for which no appropriation has as yet been made, as follows.

My language was, "no appropriation has as yet been made."

Mr. OVERMAN. Why did the Senator include that in a speech against the "extravagance" of the Democratic Party?

Mr. SMOOT. Why, these are the things which, if they are carried out, and if Congress is to approve of them, will have to be paid.

Mr. OVERMAN. "If!"

Mr. SMOOT. That is exactly what I stated; and I do not think there is any question but that some of them will be appropriated for and paid, but not at this session of Congress.

Mr. MARTIN of Virginia. Mr. President, it can hardly be charged by the Senator from Utah that it is an extravagance on the part of the Democratic Party to make honorable amends for the wrongdoing of the Republican Party.

Mr. SMOOT. That is the question.

Mr. MARTIN of Virginia. We may have to expend not only this \$25,000,000, but a great deal in addition, before we even up the scales of justice in making good the wrongs perpetrated by the Republican Party.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. The Senator repeats so many times the inference that this \$25,000,000 is to pay for a wrong done by a former administration. Of course he does not give it as his definite opinion, but the inference is very plain. With the Senator's permission, I should like to state that in my opinion if the \$25,000,000 is ultimately paid it will be paid to a lot of blackmailers

who are undertaking to blackmail the people of the United States out of money that is not due them and never was due them.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Illinois?

Mr. MARTIN of Virginia. I yield.

Mr. LEWIS. If the Senator from Virginia will pardon this interruption, since he is writing in the RECORD facts as they are recorded—to use his excellent phrase—in common report, it is only fair that there should be added the fact that the public record discloses that the sum of \$25,000,000, certainly \$20,000,000, had been contracted to be paid these individuals through the preceding administration under the advice of Mr. Dubois, who was the special agent of the Government in the matter, and the sum was agreed upon prior to our coming into power. If it shall ultimately be paid by us, it is but carrying out and executing a contract which we did not make, but which was made by the Taft administration, in recognition of the wrong of its predecessor, both being Republican administrations.

Mr. MARTIN of Virginia. Mr. President, I am not going to be a party to the assault being made upon the integrity of the State of Colombia. I do not want to see our neighbor despoiled and then denounced as a blackmailer until there is a thorough investigation. After that thorough investigation, if I find that she was playing the rôle of a blackmailer and withholding from us anything that belonged to us, I will never vote to ratify that treaty.

I have an idea, however—and it is an idea formed without thorough investigation—that that zone down there belonged to Colombia. It did not belong to us. We by indirection wrested it from her. It has caused bad feeling between the two Republics from that hour down to this. I am anxious to see good feeling reestablished, provided we can reestablish it by simply doing what is just and honest and right by our neighbor. The matter will be thoroughly and exhaustively and honestly investigated by the Democratic Party before the treaty is ratified.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Colorado?

Mr. MARTIN of Virginia. I yield.

Mr. THOMAS. I merely wish to remark that in all probability, after the end of the European war, if indemnity is demanded by Belgium from Germany for its consequences to her, it will be denounced in the German Reichstag as blackmail.

Mr. MARTIN of Virginia. That seems to be the order of the day.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I do.

Mr. BRISTOW. The Senator from Colorado would imply by his remark that the Government of the United States has treated Colombia as Germany has treated Belgium. There could be no greater slander pronounced against the Government of the United States and nothing more unjust, and in my opinion it borders on treason.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Colorado?

Mr. MARTIN of Virginia. I yield.

Mr. THOMAS. Like the Senator from Virginia, my mind is not made up upon the subject. I have endeavored, however, up to this time to inform myself concerning the facts and have been moderately successful. My opinion, not yet fully determined, is that it would be better for us to overrun a nation by brute force than to interfere with the strong arm of the Navy in the interest of rebellion and prevent an offending State, with whom we have close treaty relations of long standing, from maintaining her own sovereignty and putting down an insurrection within her borders, the more especially when those treaty relations bind us to aid, if necessary, in maintaining that sovereignty over the territory involved in the insurrection.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. I myself have given some attention and study to the situation, so far as Colombia and Panama are concerned. An investigation from an unbiased and patriotic point of view will show that the Government of the United States never did a thing that was dishonorable or improper in connection with the acquisition of the Panama Canal Zone; that it was as clean a transaction as this Government or any other Government ever had; and there is nothing that reflects the slightest discredit upon the United States or any of its



officers in connection with the acquisition of the Panama Canal Zone.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Colorado?

Mr. MARTIN of Virginia. I do.

Mr. THOMAS. I have not the slightest doubt that the Senator sincerely believes the truth of the statement he makes; and I earnestly hope, for the good name of the United States, that when the investigation which is to be made here shall have ended his conclusion will be vindicated, not only by the Senate but by the public sentiment of the country.

Mr. MARTIN of Virginia. If I am not mistaken, President Roosevelt stated, with great satisfaction to himself and with great boldness and audacity, that while Congress was debating this matter he went down and took this strip of land. He has not denied that the hand of violence was stretched out against our neighbor because it was a stronger hand than our neighbor herself possessed. He seemed to be proud of that achievement in taking from Colombia something that he wanted. If, however, an investigation shows that I am mistaken in this respect and that the Senator from Kansas is right, that treaty will never be ratified. I think the people of the United States are better able to be extravagant in an appropriation than to be wrong in imposing on a weak neighbor.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. I agree with the Senator that we never should impose upon a weak neighbor, and I would not favor any governmental policy or action that would impose upon a neighbor, but I would not consent under any circumstances that the United States, because she is rich in resources, should be held up and blackmailed by a lot of bandits who assumed to represent a government which they did not honestly represent.

Mr. MARTIN of Virginia. Mr. President, I think Colombia, whatever else may be said about her, has not been officious, audacious, or obnoxious in asserting her claim against the United States. She does ask us to investigate this matter and do what is right. If the Republican Party is not willing to stand by that, the Democratic Party and its voters, from one end of the country to the other, will stand by doing what is just and right and honorable with Colombia.

We are assailed by the Senator from Utah, however, because we propose to take up this matter. He does not wait until appropriations are made to criticize us for extravagance, but he criticizes us for extravagance in our purposes. Before knowing what we are going to do, he assumes that we are going to appropriate money wrongfully, and criticizes us for doing so.

Equally as unfortunate, in my judgment, is the attitude of the Senator from Utah in connection with the tolls question—the question of permitting foreign Governments to use the Panama Canal on the same terms with the United States. In these troublous times, when the whole world is disturbed with bloody war, do you not think it was a mighty small consideration that we paid, even if by the letter of the contract we need not have paid it, for the good will and the friendship and the cordial cooperation of foreign Governments, by conceding to them something which, whether all of us thought it was right or not, all of them thought was right?

If the present administration has no other ground on which to rest its claim for patriotism and efficiency and courage and devotion to the welfare of this country, I say it might rest entirely on the disposition made of the question of tolls through the Panama Canal. But the Senator from Utah attacks the Democratic Party because of that disposition of the tolls question, which has brought so much of friendship and so much of benefit to the people of our country.

Mr. President, I promised not to go into a political speech. I promised to be brief, and I am going to try to do it. I shall not undertake to comment on all of the views presented by the Senator from Utah, but I can not refrain from a few references to some other matters.

One is the item of \$30,000,000 for the purchase of ships. He charges us with extravagance because of a suggestion which has been made that something should be done for the betterment of our commerce on the high seas, and a bill has been proposed, though no appropriation is proposed, except, I think, \$10,000,000 of capitalization. The bill as introduced provides for \$10,000,000 of capitalization, of which the Government must take the major part. Nothing has been done with the bill, however. Do you not think the Senator from Utah might have confined himself to the appropriations actually made? When he wanted to discuss the question of extravagance of appropri-

tions, why not limit that discussion to the appropriations actually made? He will want to make this same speech next year, and he ought to have left these things for discussion then, instead of having to duplicate it by discussing it now and discussing it again next year.

Mr. WEEKS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. MARTIN of Virginia. I do.

Mr. WEEKS. I should like to ask the Senator if he does not think the Senator from Utah was justified in raising that point, as long as the President had recommended legislation which looked to the purchase of ships at a cost of \$30,000,000, and that since the war in Europe commenced?

Mr. MARTIN of Virginia. I suppose it might be justified on the ground that it was the best the Senator could do. I do not think it could be justified on any other ground. The appropriation has not been made. I do not know that I shall ever vote for it. I may do so. I will vote for it if I think, on careful consideration, that it will promote the welfare of the people of the United States; but I do not think I ought to be criticized—making a direct application of it—nor do I think the Democratic Party ought to be criticized, nor do I think the Democrats of the Senate ought to be criticized for a thing that they have not yet taken up for consideration.

Mr. CLAPP. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Minnesota?

Mr. MARTIN of Virginia. I do.

Mr. CLAPP. The party might be subject to criticism for not having taken up the matter.

Mr. MARTIN of Virginia. If the Senator from Minnesota wants to make that criticism, it will be about like the other argument that I alluded to; he will do it only because he has not a good argument. I do not think any just criticism can be made of this Congress for not doing more than it has done. It has been here for about two years, and has worked day and night. It has done all that it was possible for it to do. I do not think any criticism can be made of this Congress for not taking up the shipping bill.

Then there is the Alaskan railroad, \$35,000,000. We have appropriated \$1,000,000, and we will appropriate the remaining part of that \$35,000,000 whenever it is necessary, because we believe it is a great improvement, and we think it is a great economy to appropriate that amount of money for the development of that great country. The Democratic Party is not ashamed of its record in that respect. It is not afraid to submit it to the people. I voted for it, and I stand by my act. We have appropriated a million dollars, and we will appropriate the balance of it, as I say. While I have not in my mind the roll, I know there are a great many Republicans—and I think the Senator from Washington [Mr. JONES] was one of them—who advocated that measure. There were a great many other Republicans, good and patriotic Senators, who thought it was wise economy to construct that railroad into the great, wealthy country which we own in that northern clime.

Mr. JONES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Washington?

Mr. MARTIN of Virginia. I do.

Mr. JONES. The Senator need not be afraid to say that I stood by that proposition. I did stand very earnestly for it; and it is one thing, at any rate, for which I can commend this administration.

Mr. MARTIN of Virginia. And the Senator can not commend the Senator from Utah for attacking the Democratic Party for doing what he says was right and just.

Mr. JONES. Certainly not.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. MARTIN of Virginia. I yield.

Mr. SIMMONS. I wish to inquire of the Senator from Virginia if the United States Government does not own practically all of Alaska? I mean by that, is not the land of Alaska now the property of the United States, and in constructing this road for the development of its resources is not the Government doing that which is necessary and essential in order to bring its property into the market and develop it?

Mr. MARTIN of Virginia. That is correct. She is simply improving her own property. That is all there is to it.

There are other items of a similar nature; but I am consuming more time than I ought to consume, and I shall try to abbreviate what I have to say.



The Senator from Utah pays a very high compliment to the Senator from Ohio [Mr. BURTON] for the reduction of the river and harbor bill from \$31,000,000 down to \$20,000,000. I have no desire to detract from this eulogy of the Senator from Ohio, but I can not refrain from referring to the fact that pretty much all of the bad projects, if there are any bad projects, in the river and harbor bill were initiated under the leadership of the Senator from Ohio. That is another instance in which, if wrongdoing was committed, it was committed by the Republican Party; and the Democratic Party is simply making good the obligations incurred by the Republican Party for the improvement of these rivers and harbors.

Again, let me call attention to the fact—and I say this without desiring to detract from the service rendered by the Senator from Ohio—that the resolution reducing that appropriation to \$20,000,000 was offered by the Senator from Alabama [Mr. BANKHEAD], and was put through by Democratic votes, and would not have gone 10 steps if the Democratic Party had not been behind it. If it was a wise economy, if it was just and right, to reduce that appropriation bill from \$31,000,000 down to \$20,000,000, the Democratic Party is entitled to the credit. It furnished the initiation and it furnished the votes. If the Democratic Party had desired to do so, it had the votes and it had the strength and it had the intelligence to pass that bill just as it wanted it. It is true that the filibuster might have delayed it; but there is not power enough on that side of the Chamber to stay the march of the Democratic Party when it determines to march to success and victory. It was the best judgment of the Democrats of the Senate that that reduction should be made, and this appropriation was fixed at \$20,000,000, and they executed that judgment and passed the bill and we are under no obligation to anyone else for doing it.

Mr. President, I have wandered around a little more than I ought perhaps. There is one other thing I must allude to very briefly. In the opening of his speech the Senator from Utah [Mr. SMOOT] said:

If the tariff law as it existed before the passage of the Underwood Democratic measure had been left alone and business carried on under a Republican administration and with a Republican Congress, there would have been no trouble whatever.

That is not what I was looking for, though as I read it I must call attention to the fact, which is known to everyone, that the Underwood-Simmons tariff bill had demonstrated its capacity to furnish all the money that the Government needed. It produced revenue sufficient to meet all the legitimate demands on the Government, and we were called upon to pass an additional revenue bill only when a foreign war prevented the shipment of goods into our ports and cut off the import duties.

What I was looking for I can not find; but I quote it correctly when I say that the Senator from Utah took great credit to himself for having fought against appropriations and criticizing them, large as they are, and he draws a picture of how much greater they would have been but for Republican opposition to Democratic extravagance.

My soul, Mr. President! when did it transpire that the Republican Party was opposed to extravagance? When did they raise their hands or their voices in connection with these appropriation bills when they were pending? If items were contained in them which were unjust and extravagant, and if the economy which the Democratic Party had promised was being violated, why did not the Senator from Utah raise his voice in time to stay the hand of the destroyer? Why wait until the evil was done and then come in the arena and undertake to make political capital?

For one, Mr. President, I am not conscious of having seen or heard this great effort which the Senator from Utah claims was made by the Republican Party to prevent extravagance on the part of the Democrats.

It is true that we have raised some salaries, and we ought to have raised them. This country is able to pay those who work for it, and for one as long as I am connected with the handling of appropriation bills I shall endeavor to prevent the wasteful use of any money of the United States, but I shall insist that the United States must pay just compensation to everyone who works for it. We raised some salaries, but very few.

Now, Mr. President, let us look at these figures. A very erroneous impression has gone abroad about the appropriations.

Mr. WEEKS. Before the Senator takes up that, will he yield for a suggestion?

Mr. MARTIN of Virginia. I yield.

Mr. WEEKS. I have just sent for the Record relating to the resolution offered by the Senator from Alabama [Mr. BANKHEAD] on the river and harbor question. The Senator seems to take to his party associates the credit for the passage of that resolution. On that question the Record shows that 16 Democrats voted for it and 16 Democrats voted against it, while 11

Republicans voted for it and 6 against it. So, if there is any credit due to anyone for the passage of the Bankhead resolution, it is certainly due to the Republicans.

Mr. MARTIN of Virginia. There were very few Republicans here attending to their business if there were not more than that number here. There ought to have been more than 17 Republicans present. I do not know how many were dodging the vote, or where they were, but according to the Senator's figures they were not present. I was well aware that there was a division among the Democrats about the matter; but a great many Democrats hesitated to vote to strike down a local improvement, although they would have voted if it had been necessary to carry the resolution.

Mr. WEEKS. If the Senator wishes to leave it in that form, I am willing.

Mr. MARTIN of Virginia. I should like to leave it in that form.

Mr. SMOOT. Will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. May I ask the Senator if in his opinion a vote had been taken on the river and harbor bill one month before it was taken, or before the filibuster, so called, had developed such strength, there would have been 16 Democratic Senators voting against the bill?

Mr. MARTIN of Virginia. I am not able to answer that. I know here is one who felt great doubt about how he would vote. I had not made up my mind to vote for \$31,000,000, and I know a great many other Democrats were in the same state of mind.

Mr. SMOOT. Fifty-three million dollars.

Mr. MARTIN of Virginia. That is the way it was at one time, before it was modified by the action of the Democratic committee.

Mr. SMOOT. It was only presented to the Senate modified once from \$53,000,000 to \$20,000,000.

Mr. MARTIN of Virginia. My impression is it was offered, but did not reach a vote; but it was reduced to \$31,000,000 by the action of the Democratic committee. If I am mistaken about that, the Senator from North Carolina [Mr. SIMMONS], who had charge of the bill, will correct me.

Mr. SHEPPARD. I wish to state that the committee itself voluntarily reduced the bill from \$53,000,000 to \$33,000,000.

Mr. MARTIN of Virginia. Exactly; that is my recollection.

Mr. SIMMONS. Mr. President, I think, \$34,000,000.

Mr. MARTIN of Virginia. I was not undertaking to give the figure exactly. It was reduced from \$53,000,000 to \$34,000,000 by the committee.

Mr. OLIVER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. MARTIN of Virginia. I do.

Mr. OLIVER. The Senator from Texas states that the committee voluntarily reduced it to \$31,000,000. I think that voluntary action, so called, was induced very largely by the opposition of the senior Senator from Ohio [Mr. BURTON], and was a result of that opposition, and that if it had not been for the determined effort of the Senator from Ohio to cut down the amount the bill would have passed the committee and the Senate by Democratic action at \$53,000,000.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. MARTIN of Virginia. I yield.

Mr. SIMMONS. The statement that that reduction was made by the committee on account of the attitude of the Senator from Ohio or the filibusters on that side is without the slightest foundation. The committee made the reduction. I made a statement upon the floor of the Senate, and repeated it several times, representing the committee, that the committee had done this at the instance and upon the suggestion of the department, the Chief of Engineers and his assistant, Col. Taylor—that by reason of the fact that such a large part of the year had already expired, \$34,000,000 would be as much money as they could spend during the balance of the year upon these works.

Mr. OLIVER and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield, and to whom?

Mr. MARTIN of Virginia. I yield to the Senator from Pennsylvania for a statement.

Mr. OLIVER. I ask the Senator from North Carolina if that action was not taken after the announced determination of the Senator from Ohio [Mr. BURTON] and the Senator from Iowa [Mr. KENYON] that they would filibuster against the bill?



Mr. SIMMONS. If the Senator from Virginia will pardon me, as a matter of fact the time of the reduction was after the discussion had commenced, but the reduction had no sort of reference to the filibuster. If we had been making a reduction with reference to the filibuster we could have made one that would have satisfied the filibusterers and would have reduced the amount from \$53,000,000 to \$31,000,000. The reductions we made were, every one of them, reductions recommended to us by the department, with the statement that after the appropriations were reduced to that extent it would furnish the department with the money that it could spend during the balance of the fiscal year.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I will yield for a moment.

Mr. SMOOT. I wish to ask the Senator from North Carolina if he approved of the reduction of the river and harbor bill to \$20,000,000, and is it not true that after the Senate had voted upon it and the reduction was made to \$20,000,000, the Senator from North Carolina most bitterly criticized the act of the Senate.

Mr. SIMMONS. No; I did not criticize the act of the Senate; I criticized in a speech of some length the dribbling policy for which the Senator from Ohio has always stood with reference to river and harbor improvements. I was not in favor of the \$20,000,000 proposition. I voted against it. Mr. President, I believe the Government of the United States is able to improve its waterways. I believe the Government of the United States in assuming control of its waterways has assumed a duty to improve them, and I believe that the Government of the United States is able to spend the money that is necessary to improve them. I was in favor of voting the amount that the engineers recommended to us as necessary to carry on these great works.

Mr. MARTIN of Virginia. Mr. President, I want to say in justice to the Senator from Ohio that his colleagues on that side of the Chamber seem to be doing him great injustice. He denied to me throughout that he was engaged in a filibuster or was willing to engage in a filibuster. He told me that many times.

Mr. SMOOT. I said a so-called filibuster.

Mr. MARTIN of Virginia. I do not think the Senator from Utah ought to designate the action of the Senator from Ohio as a so-called filibuster.

But, Mr. President, we have gotten back now where I started. I stated this reduction of \$20,000,000 was made after a proposed reduction had been made from \$53,000,000 to \$33,000,000 or \$31,000,000, probably, I said.

Mr. SIMMONS. Thirty-four million dollars.

Mr. MARTIN of Virginia. Thirty-four million dollars, or whatever it was. It was the second reduction; and I still say that what support it got on the Republican side of the Chamber was most likely due to pangs of conscience which pursued the Senator from Ohio for having initiated so many bad projects in his previous history in this body.

Mr. TOWNSEND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. MARTIN of Virginia. Yes.

Mr. TOWNSEND. I am very sorry that the Senator feels called upon to make a statement impugning the motive of a Senator who is not present and who, the Senator understands quite well, if present is quite capable of taking care of himself.

Mr. MARTIN of Virginia. If I have impugned his motives, I am unconscious of it. I certainly have nothing but the highest respect and admiration for the Senator from Ohio; but many of us have done things which we afterwards regretted, and I incline to the opinion that the Senator from Ohio would not deny but that he has regretted some of the projects which he initiated during his connection with river and harbor improvements in the House and in the Senate. But, so far as impugning his motives, the Senator will have to strain his ingenuity beyond the power which it rationally possesses before he can establish that I have endeavored to impugn the motives of the Senator from Ohio.

Mr. WEEKS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. MARTIN of Virginia. I do.

Mr. WEEKS. I do not want to intrude any further on the time of the Senator from Virginia, but I think, in order that the record may be clear, it should be stated that the resolution which was presented by the Senator from Alabama is identical with the resolution which a short time previously had been introduced by the Senator from Ohio and voted down.

Mr. MARTIN of Virginia. I think the Senator is mistaken about that; but it is immaterial, and I will not enter into that discussion. If the Senator from Alabama were here, he could explain it.

Mr. FLETCHER. Will the Senator from Virginia allow me a moment?

Mr. MARTIN of Virginia. I yield to the Senator from Florida.

Mr. FLETCHER. I suggest in this connection that in justice it should be stated that the resolutions are not identical in the first place; but, in the next place, it was the suggestion of the Senator from Alabama that this reduction should be made along the lines subsequently followed by him in his resolution, and he asked for a session of the committee to be held for the purpose of considering that proposition. It was at that meeting of the committee that the suggestion was first made, and following the meeting of the committee the proposition to some extent came into the Senate through the Senator from Ohio.

Mr. WEEKS. If the Senator from Florida will make an investigation, he will find that the resolution which was actually adopted was in the handwriting of the Senator from Ohio.

Mr. SMOOT. And I want to add my testimony to the statement just made by the Senator from Massachusetts. I will further add that the Senator from Ohio stated to the Members on this side of the Chamber that he had given it to the Senator from Alabama and it was his identical resolution. The amendment had been offered before by Senator BURTON, and the identical amendment was taken from the Clerk's desk and offered by the Senator from Alabama [Mr. BANKHEAD].

Mr. FLETCHER. That does not alter the statement that the original idea came from the Senator from Alabama to the committee, and a meeting of the committee was held and the proposition was made to the committee. The Senator from Ohio declined to accept the proposition; he said he wanted to have time to consider it; and the committee adjourned without action. Subsequently the Senator from Ohio proposed a resolution.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. MARTIN of Virginia. I yield.

Mr. SIMMONS. I wish to call the attention of the Senate to the fact that at the very time we voted upon the resolution of the Senator from Alabama making the lump-sum appropriation of \$20,000,000 the Senate was considering a substitute offered by the Senator from Ohio to the bill of the committee reducing the amount of the bill from \$34,000,000 to \$31,000,000. That was what the Senate was engaged in doing when we adopted that resolution. The Senator from Ohio was then standing for a bill that carried only \$3,000,000 less than the committee's bill.

Mr. NELSON. Will the Senator from Virginia yield to me for a moment?

Mr. MARTIN of Virginia. I yield to the Senator from Minnesota.

Mr. NELSON. The Senators are entirely incorrect in the account they give here. The Senator from Alabama introduced his resolution for a \$20,000,000 lump appropriation. The Committee on Commerce had a meeting. The meeting was called to consider that resolution. There was some discussion. The committee was divided. No actual vote was taken, but it was agreed that we were to meet in committee the next morning to consider that resolution, and instead of meeting the next morning, as we agreed upon, the Senator from North Carolina and his friends undertook to force the thing through by a night session. Those are the facts, and I would have remained silent if Senators had not perverted the facts. The facts were that instead of meeting the next day, as you agreed to meet, you undertook to force the bill through at the night session, and you utterly failed and gave up the ghost.

Mr. SIMMONS. The Senator is entirely in error in his statement.

The PRESIDING OFFICER. The Senate will be in order. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. SIMMONS. I ask the Senator from Virginia to yield to me.

Mr. MARTIN of Virginia. If the Senator desires a word I will yield to him, but I can not see any potentiality in the question one way or the other.

Mr. SIMMONS. The Senator from Minnesota is ordinarily fair.

Mr. NELSON. You know you did not meet the next morning. Mr. SIMMONS. The Senator never purposely misrepresents the facts, but the Senator is in error. The Senator is mistaken



as to the meeting of the committee to which he referred. We did consider, not the resolution introduced by the Senator from Alabama but a suggestion, I do not now know where it came from, to appropriate a lump sum of \$20,000,000. Now, as a matter of fact—

Mr. NELSON. You agreed to meet the next morning to consider that.

Mr. SIMMONS. Yes.

Mr. NELSON. Did you not preside and did you meet the next morning?

Mr. SIMMONS. No.

Mr. NELSON. Did you not resort to the tactics of a night session?

Mr. SIMMONS. No; not any of those things. We decided to meet the next morning. Before the next morning arrived we determined not to meet, and I went to the Senator from Ohio and explained the situation to him. It was not necessary to meet because we could not agree upon that proposition.

The resolution of the Senator from Alabama had not been introduced at that time. As a matter of fact, the Senator's resolution was introduced here about night and we passed that resolution before we had an adjournment. Therefore it was impossible for us to have had the committee meeting the Senator refers to after he had introduced the resolution.

Mr. MARTIN of Virginia. I thought the resolution was BANKHEAD's child, but if it was BURTON's child he could not raise it, and BANKHEAD had to take charge of it and raise it. It was a pretty healthy child and it got along very well; the Democrats passed it, and it could not have been passed without them.

Now, Mr. President, after that diversion into those matters, the particular consequence of which I am unable to take in, I will refer to some figures, as the charge is being made that the Democrats have been very extravagant in their appropriations.

The appropriations for the fiscal year 1915 aggregate \$1,115,908,777.26. The appropriations for the fiscal year 1914 aggregated \$1,098,678,788.40. Deducting the one from the other, we find that the appropriations for 1915 for all purposes were just \$17,229,988.86 more than for the previous year. In round numbers the aggregate of all appropriations for the year 1915 are only \$17,000,000 greater than they were for 1914.

Before I proceed further on that line, I must again call attention to the fact that if there was any extravagance in these appropriations it was as much incumbent on the Republican Senators to point out this extravagance and prevent their passage as it was the duty of the Democrats. I fail to recall any uprising on the Republican side of the Chamber against the appropriations contained in those bills.

I think, Mr. President, it is a credit to the Republicans that they did not rise up against them, because they were just and right, and they could not gainsay the justice and right. They held their tongues and did not oppose, but in many instances voted for the appropriations as they were made. Many of them were made at the instance and at the initiation of the Republican Senators.

Mr. President, this increase of \$17,229,988.86 over the previous year is more than made up by extraordinary appropriations; so in truth and in fact there was great economy. There was a reduction in the regular appropriations of the Government as against the appropriations made the previous year.

Let us see what some of these extraordinary expenses were. Treatment and extermination of hog cholera, \$600,000. Are the Senators on that side from the great West, where pork raising is a great industry, criticizing the appropriation of \$600,000 to exterminate hog cholera? It is not a regular appropriation; it is not usual; it is extraordinary. It was made to meet a great contingency, and it was to protect the people of the great West chiefly.

Mr. WILLIAMS. The Republicans needed it.

Mr. MARTIN of Virginia. Not only the Republicans needed it, but the Democrats needed it. The Democrats wanted the Republicans and their brethren in the same party to have it, and all voted for it because it was right. That is an extraordinary appropriation, and it makes a part of the \$17,229,988.86 excess over the previous year.

Railroads in Alaska, \$1,000,000. I think the Republicans, with rare exceptions, voted for it, and voted for it because it was right. That was an extraordinary expenditure. It was not one of the regular expenditures of the Government.

Again, relief of destitute American citizens in Mexico, \$40,152.47. Does the Senator from Utah [Mr. Smoot] begrudge that expenditure? Does he remember how earnestly and eloquently he appealed for something to be done for the relief of citizens of Utah who had cast their fortunes in the Republic of Mexico? That is an unusual and extraordinary expenditure.

Transporting and caring for Mexican interned soldiers and refugees, \$670,000. I do not think there was a vote in the Senate against it. It was a necessity growing out of the extraordinary situation, and it was not a regular ordinary appropriation of the Government.

Mr. President, there were increases in the Army and in the Navy. I can not demonstrate that these large increases in the deficiency bill for the Army and Navy were due entirely to the Mexican war, but the circumstances, I think, to a reasonable degree of certainty demonstrate that fact, and I put them down, too, as extraordinary expenditures.

Deficiencies in the Navy on account of the Mexican situation again.

Relief, protection, and transportation of American citizens in Europe, \$2,750,000. That was an extraordinary appropriation, brought about by the appalling catastrophe that is startling the whole world now. Is any man willing to say that that was an extravagance, and will he reproach the Democratic Party for not practicing economy by not cutting off that relief for American citizens in foreign countries, and in view of the fact that a large part of it will be returned to the Treasury of the United States?

Establishment of Bureau of War Risk Insurance, \$5,100,000. Do you not think that was an economical expenditure? Every dollar of it will come back and perhaps with a profit to the United States. It is simply the exercise of governmental power in a great emergency to protect the commerce of the United States and to enable the products of the country to be marketed in foreign countries, where there is a demand for them and where ships would not go unless they were insured.

These extraordinary expenditures amount to \$29,381,156.57. They alone blot out the excess of \$17,229,988.86 and leave \$12,151,167.71 less than were expended the previous year.

Where is the charge of extravagance and recklessness? We expended for the ordinary purposes of the Government less than we have been accustomed to expend.

But, Mr. President, that is not all. The Post Office appropriation act was increased in the 1915 appropriations over the appropriations of 1914 by \$27,988,396. The items of extraordinary appropriations to which I have referred not only wiped out the excess of \$17,229,988.86 but left a balance in favor of 1915 as against 1914 of \$12,151,167.71; and omitting the increase in the Post Office appropriation act, we find the appropriations for 1915, \$40,139,563.71 less than 1914. In other words, Mr. President, you take off the extraordinary appropriations, \$29,381,156.57, and take off the increase in post-office expenses, \$27,988,396, due to the parcel-post business and extension of service, an extension which pays a profit under the administration of the Post Office Department by the present incumbent of the office of Postmaster General, the appropriations for 1915 are \$40,139,563.71 less than for 1914. The Postmaster General for the first time has shown an actual profit. It is run no longer at a cost to the Government, but it is run at a profit to the Government.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. That, of course, is a comparison of the two Democratic appropriation bills, but I, in my comparison, used the appropriations for the fiscal year 1913, which was the last appropriation bill made by the Republican Congress, the Senator must admit.

Mr. MARTIN of Virginia. I am coming to that, Mr. President. I have the papers here to show the comparison.

Mr. SMOOT. I was going to say to the Senator—

Mr. MARTIN of Virginia. I am giving the advantage of this year over the last year and then the last year over 1913, showing that there has been a progressive improvement on the Republican administration.

Mr. SMOOT. That is a progressive increase of appropriations?

Mr. MARTIN of Virginia. No, sir; it is diminished when you allow for the extraordinary appropriations and the development of the Postal Service.

Now, Mr. President, if you will bring into the computation contracts of authorization as well as actual appropriations, the balance is still more favorable to the year 1915.

In 1914 there were \$68,505,174 of contract authorizations, and in 1915 there were only \$28,060,000 of contract authorizations, the decrease of appropriations and contract authorizations in 1915 as against those in 1914 amounting to \$23,215,185.14.

Mr. President, I hazard nothing in saying that no fair-minded man can examine these appropriations without coming to the

conclusion, if the extraordinary appropriations which have been brought upon us by conditions in Mexico and conditions in Europe be eliminated, that the expenditures of the Government have been reduced.

Mr. SMOOT. Mr. President, I simply wish to say to the Senator from Virginia that all of these appropriations were made before anybody ever thought that there was going to be a war in Europe. The bills had passed the House and the Senate and they had actually been signed by the President before the 1st day of August; and nobody knew that there was going to be any war in Europe until after the 1st of August.

Mr. MARTIN of Virginia. Mr. President, I am attributing only a very small part of these expenditures to the war in Europe; but we have appropriated \$2,750,000 to provide for destitute Americans in European countries. Does the Senator from Utah undertake to say that that was done before the war in Europe commenced? We have appropriated \$5,100,000 for the insurance fund. Does the Senator from Utah claim that that was done before the war in Europe commenced?

Mr. SMOOT. Mr. President, I simply want to say to the Senator from Virginia that in the statement I made to the Senate, if he will look at the CONGRESSIONAL RECORD he will see it shows the million dollars that was appropriated for the American people in Europe. Nobody has undertaken to say that that million dollars was not appropriated for the American people in Europe; but the Senator knows also that that appropriation was not to cost the Treasury one cent, but that it was all to be returned to the Treasury of the United States, for, if the Senator will remember, when the bill was under consideration I said that I thought perhaps it would not all be returned, but that perhaps there might be some loss to the Treasury Department, but the department assured the Senator that there would not be any loss.

Mr. MARTIN of Virginia. Mr. President, I was answering the statement which the Senator from Utah made on the floor at this moment. I was not referring to the past or to the papers the Senator filed. He stated positively that all these appropriations I was discussing, at least that many of these appropriations—and I think he said all of them—as appropriations resulting from the European war, had all been made before there was any European war. I called his attention, from memory, to two items—one of \$1,000,000 and the other of \$5,100,000—of appropriations made recently, after war was flagrant all over Europe. But, Mr. President, this \$2,750,000 which the Senator from Utah says will all be returned was included in his statement of appropriations, and he did not take it out. It makes up a part of the aggregate which he flaunts before the people of the country to prove Democratic extravagance.

The Senator from Utah seems to think that whenever an appropriation is increased it is evidence of extravagance. He offered no argument and no evidence and not one word to prove that it was extravagant, but he simply showed where there was an increase, and from that he deduced the fact that it was extravagance, and he denounced it. To such a proposition I am absolutely inimical. Increased appropriation is oftentimes exceedingly economical.

Mr. SMOOT. I do not want to take up the time of the Senate to call the attention of the Senator from Virginia to many items of extravagance, but I called attention to them in my speech. I do not want to take up any more of the Senator's time now in calling particular attention to them, but the mere fact that the appropriations this year are \$96,000,000 more than the appropriations made by the last Republican Congress certainly demonstrates the proposition that there have been extravagant appropriations.

Mr. MARTIN of Virginia. Mr. President, that is a non sequitur. I do not think it is any evidence of extravagance at all. It is true that the appropriations in the aggregate for 1915 have been \$96,496,060.35 greater than they were in 1913. Does the Senator from Utah suppose that our country can develop and grow and advance as it is advancing in industries, in population, and in all the activities of civilized life without some increased expenditures? These expenditures, I say, have increased over \$96,000,000 in the aggregate, but that increase of \$96,000,000 was not to cover these increased activities and these developments, but these increased appropriations were made to meet extraordinary conditions.

Among other things, the post office appropriations in 1915 exceeded those of 1913 by \$41,935,068; there was, in round numbers, \$41,000,000 of increase in the development, improvement, and extension of post-office facilities, especially including the parcels post. Does the Senator from Utah expect that to go on without increased appropriations? Is it extravagance? Is it not a greater economy to enlarge that service, which is the only department that is working at a profit and paying

money into the Treasury of the United States? Forty-one million dollars of the ninety-six million dollars covered by the increase of the Postal Service was for the convenience of the American people. The Democratic Party stands for giving the very best service to the American people, whether it is Postal Service or otherwise, when it is needed; and they count it no economy to save money by denying our people facilities for doing business and interchanging views with the remainder of the world.

Mr. President, that \$41,000,000 and also the increased expenses of the Army and Navy, brought on by the Mexican trouble, not by the European war, should be deducted from the Senator's statement. The expenditure made necessary by the Mexican trouble, God knows, was a wise expenditure, and it is bringing good returns to the American people. When we reflect that we have kept out of the horrors of war, when we look at the devastation in all Europe, we can appreciate more keenly than ever the wisdom of this administration in steering the ship of state so as to avoid hostilities even with our neighbor Mexico.

Mr. BRISTOW. Mr. President—  
The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. Is it not a fact that we landed American marines and took possession of a Mexican city and are now holding it as a hostage for the good behavior of all of the various statesmen bandits and military leaders that are now operating in chaotic Mexico?

Mr. MARTIN of Virginia. Mr. President, I remember when Republicans on the other side of the Chamber were clamoring for an aggressive policy and wanted an army marched to the City of Mexico. I believe, Mr. President, in that old adage of praising the bridge that takes us safely over.

I am not going into the discussion of the history or of the philosophy in connection with the Mexican situation. I say the President of the United States and the Secretary of State have brought us safely through a trying ordeal and have averted the dangers and desolation which always follow war. I praise the bridge that safely carries us over. I say the thanks of this country are due the President of our Republic for his wise and statesmanlike management of this Mexican situation so as to have avoided war and trouble of every sort.

Mr. OLIVER. Mr. President—

Mr. BRISTOW. Let me inquire—

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. MARTIN of Virginia. The Senator from Kansas [Mr. BRISTOW] was first on the floor. I will first yield to him if the Senator from Pennsylvania [Mr. OLIVER] will wait a moment.

Mr. BRISTOW. Was it not the senior Senator from Missouri [Mr. STONE] who, in a very eloquent speech which that Senator delivered here, first demanded that we march the Army into Mexico?

Mr. MARTIN of Virginia. If you want a controversy with the Senator from Missouri, wait until he comes in, and then invite him into the arena. I am not going to take up the cudgels for him; he is able to do that for himself; and he is able to do it when challenged by the Senator from Kansas.

Mr. BRISTOW. If I remember correctly, if the Senator will pardon me, the senior Senator from Missouri and the Senator from New Mexico [Mr. FALL] are the two Senators in this Chamber who have been demanding that we have war with Mexico.

Mr. MARTIN of Virginia. Excuse me just one moment. It must be remembered that before Mr. Taft retired from the Presidency, he put a line of soldiers along the boundary in Texas, ready evidently to strike a blow, and when the present incumbent of the White House was inaugurated the cry was not for war, but for peace. He has steered clear of war, and he is entitled to credit for the results we have achieved. He is being glorified from one end of the United States to the other for averting war and bringing the country safely through that trouble.

Mr. BRISTOW. Did not the present President of the United States take the soldiers who had been placed along the border in Mexico and send them into Mexico and take possession of the greatest port which Mexico has—Vera Cruz? Are they not there now holding in that country, at peace with us, the greatest port that that country possesses, in defiance of every law of peace and order between friendly nations? And this is done with professions of peace and friendship on his lips.

Mr. MARTIN of Virginia. Oh, the President sent a few thousand troops down there; he kept off armed conflict with the Republic of Mexico; he preserved the lives of American citizens; and he is entitled to great honor for doing so. With the least



cost of blood and money that was possible, he averted war. We are at peace with Mexico. We have a few troops down there now, but you may rely on it that the President will withdraw them just as soon as it can safely and properly be done.

Mr. SMOOT and Mr. OLIVER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. MARTIN of Virginia. I yield to the Senator from Utah.

Mr. SMOOT. Mr. President, I did not want the Senator from Virginia to make the statement he has made and to have it go unchallenged, that the Republican Party wanted the President to march our troops into Mexico.

Mr. MARTIN of Virginia. The Senator from Utah might save himself that trouble. I never said anything of the sort. I said many Republicans on the other side of the Chamber were clamoring for a strong policy, and saying that an army ought to be marched to the City of Mexico. Many of them have personally told me that. The Senator from Utah no doubt remembers when there was a strong feeling among Republican Senators in favor of an attitude of that character. I did not say that the Republican Party was responsible for it; but I said there were many Republican Senators who clamored for armed intervention and for the marching of an army to the City of Mexico. I am sure the Senator from Utah will not gainsay the correctness of that statement.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Virginia yield further?

Mr. MARTIN of Virginia. I yield.

Mr. SMOOT. Of course, if the Senator from Virginia makes the statement, I have not anything further to say, because I do not believe the Senator would make it without knowing it to be true; but I will say that so far as I personally am concerned I have heard but one Republican make that statement, and that was the Senator from New Mexico [Mr. FALL].

Mr. MARTIN of Virginia. How about the Senator from Michigan [Mr. SMITH]? I see him in the Chamber.

Mr. SMOOT. I have said, Mr. President, a number of times upon the floor that I approved of the nonintervention policy in Mexican affairs of President Taft. I have also stated that I approved of the nonintervention in Mexican affairs by the present administration. It is farthest from the thought of most Republicans, or of all of them of whom I know anything, with the exception of the Senator from New Mexico [Mr. FALL], to enter Mexico and to become involved in a direct war with that unfortunate and unhappy people.

Mr. OLIVER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. MARTIN of Virginia. I yield to the Senator from Pennsylvania.

Mr. OLIVER. Mr. President, the Senator from Virginia a short time ago alluded to the happy results of the policy of the President and of the Secretary of State in restoring peace to Mexico, or he said something to that effect. I read in this morning's newspaper the following:

NACO, ARIZ., October 12.

The Ninth and Tenth United States Cavalry, under Col. C. A. P. Hatfield, were lined up along the international boundary to-day to prevent the Villa and Carranza factions from again bringing their warfare upon American soil.

I should like to ask the Senator from Virginia whether that is one of the happy results of the policy of the present administration with regard to Mexico, and if that is one of the items of pacification that has followed that policy?

Mr. MARTIN of Virginia. Well, Mr. President, conditions down there are not entirely satisfactory now and they have not been satisfactory for a long time; but I say that the President of the United States is entitled to great credit for maintaining peace. We are not at war with Mexico, and we have not been at war with Mexico; but we have protected the lives of American citizens and we have measured up to all the just demands that could be made upon us on behalf of our own citizens or the citizens of foreign countries in Mexico. We have done that, and we have preserved peace; and I say all praise to the administration that has weathered that storm and has brought us to the point where we find ourselves now.

Mr. SMITH of Michigan. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. MARTIN of Virginia. I do.

Mr. SMITH of Michigan. The Senator from Virginia is, of course, in error in assuming that at any time during the Mexican difficulty I have favored either the United States making war upon Mexico or intervention in the form and manner in which it has taken place. The truth is that I would have

avoided interfering in any way in the internal affairs of Mexico. I would, however, have guaranteed the liberty of our own citizens and their rights of property in every possible and practicable way.

I was opposed to the modification of the neutrality law so far as the exportation of arms into Mexico was concerned. I did not favor the modifications as proposed by President Taft, and I remonstrated against the modifications proposed by President Wilson. My attitude toward Mexico has not been concerned in any manner whatever with warfare against that country or its people at any point; and I know the Senator from Virginia will cheerfully accord to me the honor, if it is an honor, of having maintained that consistent position throughout.

Mr. MARTIN of Virginia. Mr. President, I have no doubt that the Senator states frankly what his attitude was. I had only a general recollection that he felt there was not quite force enough used down there, and I had an idea that he wanted war.

Mr. SMITH of Michigan. No.

Mr. MARTIN of Virginia. But I think the Senator wanted a little more force used than President Wilson was willing to use.

Mr. SMITH of Michigan. No; I wanted our own people protected.

Mr. MARTIN of Virginia. But we could not protect them with doves. If we protected them any more than we did, we would have had to do it with shot and shell. The Senator knows that.

Mr. SMITH of Michigan. Mr. President, we could at least have shown a little more solicitude for them than we did.

Mr. MARTIN of Virginia. We were constantly showing solicitude.

Mr. SMITH of Michigan. There has been no courtesy shown to American citizens by either President Madero or Gen. Huerta or the present Government of Mexico. I have not been satisfied with either.

Mr. MARTIN of Virginia. Mr. President, I am thoroughly satisfied with the result which has been attained. I do not know who could have done any better. It is very easy to criticize, but it is mighty hard to construct. I think a trying situation presented itself, and the President of the United States and the Secretary of State handled that situation with great wisdom, forbearance, and success, and to-day we have as good relations as can possibly be had with a country that is undergoing the revolution which is going on in Mexico.

The trouble in that country has increased our appropriations not only for the Army and the Navy, but in many other respects, and when in comparing the appropriations for 1915 with those for 1913 we find that the aggregate amount appropriated in 1915 was \$96,496,066.35 more than the amount appropriated in 1913, if we will deduct from that the increase of appropriations for the Army and the Navy made necessary by the Mexican trouble, if we will deduct also the increased cost of carrying on the business of the Postal Service, which amounted to over \$41,000,000, practically \$42,000,000, and will deduct the other extraordinary expenses amounting to \$29,381,156.57, a list of which I have read to the Senate, we will find that the items properly to be deducted amount to \$103,020,432.94, leaving the appropriations for 1915 \$6,524,366.59 less than they were under the last year of Republican administration in 1913.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I yield.

Mr. SMOOT. Mr. President, whenever I present any statement to the Senate I always like to have an absolute reason for it. The increased appropriations for our Navy were \$21,643,708.85, as stated by the Senator from Virginia; but, Mr. President, we did not build war vessels because we did not have enough to protect ourselves against the Mexican Government. It was not on account of the Mexican difficulty that those increases were made.

I want also to call the attention of the Senator to the fact that the increase of \$10,000,000 in the appropriations for the Army was not due to the fact that we did not have soldiers enough to go into Mexico in case we had war with Mexico. To take care of and feed the Mexicans who were driven from Mexico on to American soil by Gen. Villa, the refugees being a part of the Huerta army, did involve an extra expense to this Government of about \$2,000 a day. That was chargeable to the Mexican difficulty; but, so far as the increase of \$21,000,000 in appropriations for the Navy is concerned, we never appropriated that amount because of the fact that we had to have extra war vessels to protect ourselves against the little tubs—three of them, I believe—that Mexico had.

Mr. MARTIN of Virginia. Mr. President, nobody has claimed that we had to build ships because of the trouble with Mexico;

but everybody knows that we have had a great increase in naval expense because of the trouble with Mexico. We had almost our whole fleet down there on the coast of Mexico; we had troops down there, and we had troops on the border in Texas; all of which involved a great deal of expense. Does the Senator undertake to stand up here and tell the Senate that we have not incurred any additional expenses because of the trouble with Mexico?

Mr. SMOOT. I undertake to say that our troops now on the borders of Mexico were placed there by President Taft at the time the appropriations were made for the year 1913; I undertake to say that every battleship that has been in Mexican waters would have been in some other waters if it had not been in Mexican waters. I will admit that, if they had fired a shot—they have not, however, fired a shot, so far as I know, because of the disturbance in Mexico—it would have been an extra expense to the Government; but whenever there is a battleship afloat we know that its officers and crew have to be maintained and the ship has to be kept in condition. So far as the Army is concerned, the Army has not been increased, and the pay of the officers and soldiers goes on whether they are on the borders of Mexico or whether they are in camp anywhere in the United States, and therefore that is not an extra expense.

Mr. MARTIN of Virginia. Well, Mr. President, of course it would be useless for me to argue with the Senator from Utah on that subject. It goes without saying that there has been a great increase in the expense, owing to the trouble with Mexico, in handling, supplying, transporting, and equipping our naval vessels and our soldiers.

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. MARTIN of Virginia. I do.

Mr. HITCHCOCK. If the Senator will permit me, I should like to put into the Record the resolution reported by the Democratic side of the Senate at the time the crisis occurred, which resulted in sending our soldiers to Vera Cruz, and also the resolution which was reported by the Republican side of the Chamber on the same occasion.

I do this for the purpose of showing that, while the Members on the Democratic side of the Senate were simply upholding the hands of the President in taking such moderate steps as were necessary to prevent further bloodshed and to assert the dignity of the United States, the Republican side of the Senate permitted itself to support an inflammatory resolution, which, if adopted, would have been little short of a declaration of war against Mexico, and would almost inevitably have resulted in a bloody and expensive war.

If that is the case, it does not appear that the Republicans at the present time are in any position to twit the Democrats with extravagance and excess in taking the very moderate and successful course which was taken by the occupation of Vera Cruz, which has resulted satisfactorily.

Mr. SMOOT rose.

Mr. HITCHCOCK. Before the Senator interrupts me, let me read the Democratic resolution which was adopted by the Senate at that time, notwithstanding the opposition of our Republican friends on the other side of the aisle. This was the resolution, I think, as finally adopted:

In view of the facts presented by the President of the United States in his address delivered to the Congress in joint session on the 20th day of April, 1914, with regard to certain affronts and indignities committed against the United States in Mexico: Be it

*Resolved, etc.*, That the President is justified in the employment of the armed forces of the United States to enforce his demand for unequivocal amends for certain affronts and indignities committed against the United States.

*Be it further resolved*, That the United States disclaims any hostility to the Mexican people or any purpose to make war upon Mexico.

That was the resolution which was reported by the majority in the Senate at that time; that was the resolution which was antagonized by the Republicans. Now let me read the resolution which was introduced by the Senator from Massachusetts [Mr. LODGE], and, as I recall, was very generally supported upon the Republican side:

That the state of unrestrained violence and anarchy which exists in Mexico, the numerous unchecked and unpunished murders of American citizens and the spoliation of their property in that country, the impossibility of securing protection or redress by diplomatic methods in the absence of lawful or effective authority, the inability of Mexico to discharge its international obligations, the unprovoked insults and indignities inflicted upon the flag and the uniform of the United States by the armed forces in occupation of large parts of the Mexican territory have become intolerable.

That the self-respect and dignity of the United States and the duty to protect its citizens and its international rights require that such a course be followed in Mexico by our Government as to compel respect and observance of its rights.

Mr. President, I undertake to say that that was an inflammatory, ill-considered resolution, and would have led to war.

Mr. WILLIAMS. And vituperative.

Mr. HITCHCOCK. It would have led to bloodshed and enormous war expenditures. Can the Senators who supported such a resolution now come here and twit the administration with the expenses, the very moderate expenses, incurred to preserve peace, and at the same time maintain the dignity of the United States?

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I hope the Senator will not take very long, as I am anxious to conclude.

Mr. SMOOT. The Senator from Nebraska certainly is mistaken if he thinks I have twitted the Democratic Party for what little expenditures they were put to in the protection of American citizens in Mexico. I want to say to the Senator that all I said was that the additional expenditure of \$21,000,000 for the Navy was not due to the war in Mexico nor to any trouble down there. I also stated that the \$10,000,000 increased appropriation for the Army was not due to the troubles in Mexico.

The Senator refers to the resolution offered by the Senator from Massachusetts [Mr. LODGE]. The Senator from Nebraska and I disagree as to the object of that resolution. The only thought in the mind of the Senator from Massachusetts, in the mind of the Senator from New York [Mr. ROOR], and in the minds of those who supported it was that if we did go to Mexico or if we did set foot upon foreign soil, for history's sake we ought to give the reasons for our action. The Senator from Nebraska knows that there were tens of thousands of American citizens driven from Mexico. There were hundreds of them killed, butchered in cold blood; and I myself represent a State which had over 10,000 people with as good farms as ever were—

Mr. MARTIN of Virginia. Mr. President, I hope the Senator will let me get through.

Mr. SMOOT. If the Senator objects, I certainly will not interrupt him further.

Mr. MARTIN of Virginia. I do not object to any reasonable statement, but I do not want the Senator to keep me standing here all the evening to make a speech. I should like to finish.

Mr. SMOOT. I beg the Senator's pardon. I did not intend to make a speech and was nearly through, but I will not even conclude what I was about to say.

I know, however, and I want to say to the Senator now, that there was no intention upon the part of any Republican Senator to have the Army of the United States enter into war with Mexico. Nobody had that thought. I want to say to the Senator, also, that while that resolution was under discussion in this body our troops were at Vera Cruz, and some of the men had been killed before ever the resolution was passed. I want to say to the Senator, too, in that connection, that if I had had my way I would have seized every gunboat of Mexico, and I would have held them until Mexico had apologized to the United States for the insult that was heaped upon the American flag.

That is the ordinary course for countries to take whose flag has been insulted. I could at this time call attention to a number of cases. I am not even criticizing what has been done in Mexico. I said right along that if that was thought best to be done, if it was done by the administration, I was going to stand by the administration as far as it acted in war, because I do not care whether it is a Democratic administration or a Republican administration; when it comes to a question between a foreign country and my own, I am going to support my own country and the administration standing at the head of affairs at the time that trouble happens.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. I think the Senator from Nebraska should have stated, in connection with the reading of the resolution, that at the time the resolution was under consideration the President of the United States had ordered the marines to land at Vera Cruz. They were there. The battle was going on. Our marines were being killed. The senior Senator from New York [Mr. ROOR] and the senior Senator from Massachusetts [Mr. LODGE], who were the authors of the resolution, stated that if we were to have a war—and at the very moment the resolution was being considered a state of war was in existence—we ought to state some legitimate reasons for war.

I think it would have been nothing but fair to those Senators, who are absent, that that should have been stated in connection with the reading of the resolution.



Mr. HITCHCOCK. I think the Senator should bear in mind that at the time the resolution was introduced in the House and passed by the House, and at the time it was reported by the committee in the Senate, there was no such state. That state only intervened because the Senators upon the other side unduly delayed and procrastinated the consideration of the resolution, apparently for political effect. There was no reason why it should not have been promptly passed by the Senate. An emergency existed, and the President and his close advisers were aware of the fact that certain emergencies required early action; and it was only for that reason that the resolution tardily passed the Senate.

Mr. BRISTOW. If the Senator will remember, the emergency that was announced here in the Senate was that there was a shipload of arms from Germany that was to be landed at Vera Cruz, and to prevent the landing of that shipload of arms it was necessary for the President to take the port, which he proceeded to do, and then permitted the ship quietly and sedately to sail to another port and land the arms, so that the murder of a number of our marines was fruitless and without result.

For one, I voted against interference in Mexico by armed force. I was opposed to taking the port of Vera Cruz, because I believed it was a hostile act upon a friendly country, and I wanted our Government to keep out of Mexico and let the people of Mexico settle their own differences in their own way. It is their own Government, and nobody has authorized us yet to dominate and domineer them.

Mr. STONE. Mr. President, will the Senator from Virginia yield to me to make a brief observation?

Mr. MARTIN of Virginia. I will, if the Senator desires it, but I shall be through in three minutes.

Mr. STONE. I should like at this moment, with the indulgence of the Senator, to say that after having listened to a part of the speech of the Senator from Utah, delivered a few minutes ago, in which he told us what he would have done, if he had only had a chance, during the more acute period of our troubles with Mexico, and after listening to the somewhat boisterous declamation of the Senator from Kansas, it is almost enough to make the cold shivers chase up and down a man's spinal column when he reflects what might have happened if the Senator from Utah had been President instead of Woodrow Wilson, and if the grim-visaged Senator from Kansas, who shakes his gory locks so frantically in times of piping peace, had been Secretary of War or in command of the military forces of the United States. It makes one shudder to think of what might have happened and what the situation might be to-day, with armed legions tramping over the cactus plains of Mexico, with swords flashing and cannon belching death upon the poor and helpless people there.

When I think of this frightful scene and contemplate the dread things that might have happened, I am more grateful than ever to a peace-loving Heaven that Woodrow Wilson is President instead of one of these belligerent Senators.

Mr. MARTIN of Virginia. Mr. President, we may have lost a great deal by not having these two distinguished Senators at the helm at this perilous time, but the American people are satisfied with what has been done. I have no doubt those Senators would have patriotically performed the duties before them as they saw them, but I think we got along mighty well with Woodrow Wilson, and I think the country is satisfied with the way he met his responsibilities. I do not believe there has ever been an era in the history of our country when troublous times have been bridged over so successfully and with such credit and honor and such praise from the American people as in the contingency referred to.

When I took the floor I did not think I would consume more than 15 minutes. I do not know how long I have held it, but at least a good part of the time has been occupied by others. I simply desired to advert briefly to some parts of the political speech made by the Senator from Utah, and I desired to present to the Senate and to the country in convenient form the facts about the appropriations made at the present session of Congress.

Summing it up, I will say that eliminating the extraordinary expenses and the enlargement of the Postal Service the appropriations have been diminished instead of having been increased. We have appropriated less money for the fiscal year 1915 than we did in 1914, and we even appropriated \$6,524,366.59 less money in 1915 than the Republicans appropriated in 1913. As I say, this is eliminating the extraordinary appropriations and the increase in appropriations for the Army and Navy and those made necessary by the parcel-post system and the enlargement of the Postal Service. The Postal Service, as my friend to my right [Mr. GORE] says, is conducted at a profit. It not only pays

its own way, but it turns money into the Treasury of the United States. The Democratic Party has made the appropriations necessary for the advancement of that service, and it has made the appropriations necessary for every department of the Government. The Democratic Party considers it true economy to provide a good service to the people of the United States, but to waste not a dollar, and we have performed that duty, in my judgment, faithfully and well.

#### ALASKA COAL LANDS.

Mr. MYERS. Mr. President, I will ask the Senator from North Carolina [Mr. SIMMONS] if he will not now agree to temporarily lay aside the unfinished business or ask to have it temporarily laid aside, in order that the conference report on the Alaska coal-leasing bill may be taken up?

Mr. SIMMONS. Does the Senator think we can finish the consideration of that report this evening?

Mr. MYERS. That is my judgment. I can not answer positively.

Mr. SIMMONS. The Senator from Utah [Mr. SMOOT] suggests that the Senator from Colorado [Mr. SHAFROTH] is not present, and I rather think he would like to be here when the conference report is called up.

Mr. MYERS. I should like to have him here. I will send for him at once. I told him I was going to call it up this afternoon.

Mr. SIMMONS. Would not the Senator have time enough to pass it after 5 o'clock? If he does not finish it to-night, it could be resumed in the morning.

Mr. MYERS. I can not say as to that, of course. I do not know what opposition there will be.

Mr. SIMMONS. If that would suit the Senator, I should be very glad if he would let us go on until 5 o'clock.

Mr. JONES. Mr. President, I hope the matter will not be postponed with the idea of taking up the conference report at 5 o'clock. I should like to be here when it is taken up; but while I have been in attendance on the Senate pretty regularly, I think, I have to leave a little before 5 o'clock this afternoon, and I can not be here then. If it is not proposed to take up the conference report now, I should rather have it go over until to-morrow.

Mr. SIMMONS. Would the Senator object to taking it up at half-past 4 o'clock?

Mr. JONES. I do not know how long it will take. I shall have to leave about a quarter to 5.

Mr. MYERS. The Senator from Washington is very anxious to be here, and I should like to have him here. He has to leave the city about a quarter of 5. I think I could get the Senator from Colorado [Mr. SHAFROTH] by telephoning to his office.

Mr. SIMMONS. This is a matter that we have to get rid of, and I should like to adjust it satisfactorily.

Mr. JONES. I shall be here to-morrow, so far as that is concerned.

Mr. SIMMONS. Would the Senator be content to take it up to-morrow?

Mr. MYERS. I should really like to have the report disposed of this afternoon, if possible, if it is not going to bring about prolonged debate. I will state that Mr. FERRIS, the Representative from Oklahoma who has charge of the report in the House, is exceedingly anxious to leave the city in a few days, and is anxious to get the conference report over there just as soon as possible; and one day's difference might mean a good deal to him.

Mr. SIMMONS. I will say to both the Senators that, as the Senator from Colorado is absent, I should like to go on a little further with the revenue bill this afternoon. Would it suit the Senator just as well to take up the conference report in the morning?

Mr. MYERS. If we can take it up the first thing in the morning, at 11 o'clock, it will suit me just as well. I can not say as to Mr. FERRIS, the Representative from Oklahoma. Will the Senator take it up to-morrow morning at 11?

Mr. SIMMONS. Yes.

Mr. MYERS. I will not ask that it be taken up at this time, then, with the understanding that we are to take it up to-morrow morning at 11 o'clock.

#### EMERGENCY REVENUE LEGISLATION.

Mr. JONES. Mr. President, in connection with the remarks of the Senator from Virginia [Mr. MARTIN], I think I ought to suggest just one or two propositions that occurred to me while he was speaking. No one will question his Democracy, and when he repudiates campaign declarations or campaign arguments or campaign slogans we must assume that there is good ground for doing so.

The Senator in his argument has answered all the denunciations that have heretofore been made against the Republicans

by Democratic orators in charging them with extravagance. I have myself presented, with reference to the various appropriations that have heretofore been made, a great many of the arguments that the Senator from Virginia has made this afternoon in defense of the Democratic appropriations. I am not saying that his defense is not a good one, but I am glad he has overturned and practically repudiated all the charges of extravagance heretofore made against Republicans.

I was also glad to see that he has absolutely repudiated the only campaign slogan that our Democratic friends are making now throughout the country. Everywhere throughout the country appeals are being made the people to support Democratic candidates in order to stand by the President. If that means anything, it means that if those candidates are elected to the Senate or to the House they will do what the President wants them to do. The Senator from Virginia has repudiated that.

The President wants us to approve the treaty which proposes to pay to Colombia \$25,000,000. The Senator from Virginia says: "I will be for that if I think it is right, and if it is not I will not." That is the correct position to take, but that is not the position the people are being urged to take in the campaign now. The slogan now is, "Stand by the President." That means: "Vote for the Colombian treaty, right or wrong. Vote for the \$25,000,000, justified or not."

I am glad the Senator from Virginia repudiates that stand and says he will not vote for that treaty unless he is satisfied that it is a good thing.

Then the President has urged upon Congress, and it is stated in the papers that he proposes to insist at the next session that we shall pass a bill providing for the purchase of ships, and appropriating \$30,000,000 for that purpose. They say: "You must elect Democratic Senators and Representatives to stand by the President." In other words, "You must elect them to appropriate money for that purpose, because the President asks it, whether it is right or wrong." The Senator from Virginia, however, repudiates that doctrine, and says: "I do not know whether I will vote for that proposition or not. I do not know whether I will stand by the President or not. If I think he is right, I will stand by him, but if I think he is wrong I will vote against the bill."

That is the right position to take. That is the position that all of us can take, so far as that is concerned, but that is not the position that is being taken throughout the country. I am very glad indeed to have such a recognized leader of the Democracy as the Senator from Virginia repudiate this campaign slogan before the election comes upon us.

Mr. WILLIAMS. Mr. President, I want to utter one sentence. There is so very little difference between the slogans "Stand by the President," when applied to this President, and "Stand by the President when he is right," that I think the Senator from Washington will find a great deal of difficulty in getting the country to see the difference. The President is so nearly always right that there is very little difference, if any at all.

The Senator from Utah [Mr. Smoot] a moment ago, criticizing the Democratic Party and indirectly the President, told us what he would have done if he had had his way in the Mexican situation. He would have "seized all the gunboats of Mexico," and I suppose he would have seized a good many other things, and otherwise he would have resorted to hostile acts of one description or another. After that he added, "That would have been the ordinary way."

The Senator is exactly right. That would have been "the ordinary way." I think we may well afford to thank God for the fact that the present President of the United States advocates and practices the extraordinary way. We are witnessing the application of "the ordinary way" across the Atlantic right now. Our whole new American spirit which animates even our Army is different from theirs over there and our "way" is different too.

When we entered Vera Cruz a few snipers shot a few American soldiers. We did not think a uniformed man had any rights sacred because of his uniform. We could understand how even an ununiformed one in a mistaken spirit of patriotism might shoot at us—not many, but one here or another there. We caught the snipers when we could, and we punished them. When we could not, we let the people alone. The "ordinary way" in war seems to be what took place in Louvain, in Belgium. If a man in citizen's clothes snipes a man in a uniform, "the ordinary way" is, if you can not find that particular citizen, to arraign five or six other citizens and kill them; and if the sniping was done from a house, why, kill everybody in that house and then burn the house down. Give notice that you will destroy a whole town if any inhabitant shows a hostile spirit. Thank God, we are getting away from "the ordinary way."

The world is beginning to wake up and get more civilized than it used to be. I am glad the President of the United States has sounded the keynote that "the ordinary way" must be no longer traveled by civilized mankind, and that the extraordinary way must take its place.

Mr. SMOOT. Mr. President, in that connection, of course, the Senator will admit that if any Government had gone upon Belgian soil and had taken the main port of Belgium, that would have been virtually a declaration of war, will he not?

Mr. WILLIAMS. Yes; and if we had stopped—

Mr. SMOOT. Now, that is the radical way; but the ordinary way I had reference to was the insult to a flag, and that is all that was involved in this question at that particular time.

Mr. WILLIAMS. That has nothing to do with the question.

Mr. SMOOT. I will say to the Senator that I never had any idea of putting soldiers upon Mexican soil at all. I had no idea that we would ever be compelled to intervene. As I stated before, I have been absolutely in harmony with nonintervention.

Mr. WILLIAMS. I did not get up to make a speech. I simply got up to draw a parallel between the ordinary and the extraordinary way. The Senator's "ordinary way" was to have "seized the Mexican gunboats," and then, as he said in an excited way, hold them until they had made full reparation, and all that.

Mr. SMOOT. I will say to the Senator that the mere fact of taking a gunboat, which has been done many, many, many times in the past by other countries where a flag has been insulted, is not nearly so much a cause for war between nations as to go upon the territory of a country itself.

Mr. WILLIAMS. I beg the Senator's pardon. I yielded to him just for an explanation or for a question and not for a speech.

It is true that if one country seizes the gunboats of another there may be no war, but if there shall be no war it will be because the country whose gunboats are seized will not fight. That is the only reason. It is an act of war. In that connection, again following up "the ordinary way" and the new way, the extraordinary way, the Woodrow Wilson way, the Senator from Kansas [Mr. Brisrow] a moment ago referred to what had taken place in Colombia. He referred to our landing marines there upon the soil of a neighboring and a friendly people, who had fired no shot at us, who had done no hostile act toward us, and when the Senator from Colorado [Mr. Thomas] happened to mention Belgium in that connection the Senator from Kansas said, in an indignant, vehement, and excited, not to say vituperative, way that the propositions were totally distinct.

The only difference between what happened between us and Colombia and what happened between Germany and Belgium was this: When we did what we did to Colombia—violated her territory, issued to her an ultimatum, to wit, that if she dared to land a soldier on her own territory, or did not withdraw him, which is the same thing, we would proceed to hurt him, and that we had guaranteed only one thing—to have our way there; that our treaty to guarantee Colombian independence was "a scrap of paper"; and that the southern doctrine of secession, against which the North had fought for four years, had now become so holy and sacredly recognized by the United States that the independence of a newborn republic, born by Cæsarian operation, we being the surgeon, could be recognized in 21 hours, without its having a treasury or a customhouse, without its having a gunboat or an army—when all that took place, and we had violated the territory of the Republic of Colombia in one of its States just as thoroughly as if Great Britain had landed troops, or threatened to land them, in New Orleans during the Civil War to support the secession of the State of Louisiana, after all this, what was the difference in principle between the two occasions, the one in Belgium and the other in Colombia? The difference in consequences to follow were, of course, immense. We issued an ultimatum to Colombia, and Colombia, in her weakness, or whatever you choose to call it, yielded to the ultimatum, withdrew her troops, and withdrew her ships. Germany issued an ultimatum to Belgium, and Belgium said, "No; no! You can not violate the neutrality of our country, and we will fight." Again, I say the only fundamental difference between the two acts of war was a difference in consequences, consisting in the fact that Belgium fought and Colombia did not fight. Belgium, her independence and nationality at stake, fought Julius Cæsar and all Rome. Now, again, for the same stake, she is fighting the Kaiser and all Germany.

What is the ordinary way, again? The ordinary way, I suppose, was that we would have just said to Colombia, "Oh, well, you are in there, anyhow; your presence was offensive to us; your ships in the harbor were offensive. We wanted some-



thing; we had to pass over you to get it; you stood in the way. We have what we wanted. What are you going to do about it?" But we do not belong to quite that age on this side of the ocean, under this administration of democracy and justice. We did nothing of the sort, and the extraordinary way—the Wilson way—came into play. The extraordinary way was first pointed out to us by Colombia, because she thought we followed it, and what was it? She said to the United States, "You have been the very forerunners and chief advocates of the doctrine of arbitration. You have professed to be the peace friends of the peace friends of the world. We ask you to leave to arbitration the question of what we regard as a great injury to us, a menace to our independence, and a violation of our territory." No American Government, Democratic or Republican, dared send the dispute either to The Hague or to arbitrators selected by the two parties or under the provisions of the treaties that we have made with twenty-odd countries. The Republican administration had not the moral courage to acknowledge a wrong. Before a Democratic administration came into power much had happened of engineering achievement and of public expenditures.

The President of the United States, meeting Colombia half-way as well as he then could by pursuing the extraordinary way himself, said: "If we have done you harm and damage and caused you loss without justification, we are willing to enter into diplomatic relations concerning it and see if we can not fix it up between ourselves. We can not afford to go to arbitration upon this particular question now, because meanwhile we have built the Panama Canal, and the arbitrators might decree that we got the territory wrongfully and must restore it to you; that the canal, as a part of the territory, belongs to you. We can not go that far, but we will meet you upon the diplomatic field; we will try to negotiate a treaty founded even on generous principles; and we will submit it to the Senate of the United States, a body of highly civilized, refined men, who have been so long weaned away from 'the ordinary way' which prevails upon the other side of the Atlantic that they may follow you and me in the extraordinary way—the pleasant new way of peace and amity, and friendship and harmony, and conciliation and good feeling, and the amende honorable for whatever insult has been inflicted, and damages for whatever loss has been incurred."

The Senator from Kansas had no right to grow angry because of a parallel in principle and incipency between the cases of Belgium and Colombia. There was but one difference, in my opinion, and that was that Belgium fought and Colombia did not; and therefore, alone, we did not devastate Colombia or burn her towns. If she had fought, we would have been bombarding her towns and killing her women and children with ship shells, and killing her boys upon the land. All that saved us was because Colombia either did not want to fight or was not brave enough to fight—I do not care how you put it. Otherwise, we, too, would have had sinful acts of oppression as well as sinful tyrannical intent on our national conscience.

Mr. LANE. Mr. President, I have received a great many protests from good people in the State in which I live against the idea of levying a tax on alcoholic liquors, such as whisky and wine and beer for carrying on the affairs of the Government, and there is a good deal of logic and a good deal of justice in their protest. They claim that by doing so the Government is going into a partnership in the sale of drugs which are deleterious and make for unhappiness, and that in addition the people at large pay out many times the amount they receive in taking care of the people who suffer from the use of it, and that the country suffers in the long run from the deterioration of its citizens.

There is a great deal in that. The Government does go into partnership in a way with the manufactures of intoxicants, and the more intoxicated citizens we have the larger the number of men who consume alcohol, the more money we collect from that source. I do not believe, as a matter of fact, that the Government can or does make any profit by levying taxes in that way.

For that reason, and for the reason that I think it is a time when we are coming upon what I believe is almost the end of an era in the civilization of the world, when everything is going down headlong to destruction in Europe, it seems to me that this country should be shortening sail and preparing for the change.

On board ship, when a storm comes up, a good master of a vessel does not crowd on more sail because the storm is coming. He shortens sail, and he orders everything made fast. He battens down the hatches, and if there is anything on deck that is loose he knows what harm it will do when he gets into a pitching sea, and he orders it lashed down, and heads up into the wind and lays by until the storm passes.

It seems to me that in this country at this time it is our duty not only as Democrats but as citizens of the Republic, whatever our political faith may be, to cut off any unnecessary expendi-

tures which we are now making. I am of the opinion, although I could not demonstrate it without more time, that this country could easily lop off more than \$100,000,000 of unnecessary expenditures and the affairs of the Government could be conducted just as well as they are now; in fact, I believe better. I believe it is our first duty before we levy a tax of this kind at this time, when we have every reason to believe that in the immediate future and for some time to come there is going to be great financial stress and difficulty visited upon the people of this country, that it is our duty before we levy additional taxes to cut off all unnecessary expenditures. Until we do that, and until after we have investigated thoroughly and found out that we can either do so or that it is impossible for us to do so, I do not feel that we have the right to levy an additional tax to carry on the business of the Government as though we were in the midst of unexampled prosperity. I believe it is unbusinesslike. More than that, I believe it is unpatriotic. I think it is gross carelessness. I do not say that with the intention of reflecting upon anybody, but we should first make the attempt to cut down unnecessary expenditures before we levy taxes.

I notice in looking over the table which was presented, I think, by the Senator from Utah [Mr. Smoot], it may be by the chairman of the committee, but it is now in the Record, that among the items of appropriation there is one appropriation for a deficiency under the head of miscellaneous expenditures amounting to \$29,000,000. Whenever you find an item of miscellaneous expenditures in your expense account in the conduct of public affairs it is a very good one to investigate. It should not be there. It should be definitely stated, for you may depend upon it that a correct method of handling public affairs does not permit the carrying of a large miscellaneous expense account.

It is our first duty to cut down expenditures and to manage the affairs of the Government economically, and by doing that I believe we not only can save \$100,000,000, but perhaps more than that; and if we will attend to our duty otherwise and collect moneys which are due the Government at this time we would not need to pass a bill calling for the assessment of one penny of additional tax upon any business or person in this country. So sure do I feel that this stamp upon every message to be paid by the man who makes use of the telegraph lines or expresses a package to his poor old mother in some distant part of the country will irritate the people who have to pay it that, out of regard for the welfare of the Democratic Party, I would advise against doing anything of the sort at this time. If I was managing the political affairs of a party and wished it to succeed at the next fall election I would pedal very softly on taxation which would irritate the voters all over the country and would make a very close investigation as to expenditures which could legitimately be cut off. If I imposed a tax at all, it would not be until I had exhausted every effort to trim them to where they belonged before I went before the people. The people are going to resent it. There are large communities of thousands and hundreds of thousands of people in this country, especially in the South, who are suffering now literally, and I am told are being bankrupted because of the fact that they are cut off from the markets of the world. There are others all over the country in many other vocations of life who have lost their means of livelihood. There are very few who are prospering better than usual. It is a bad time to go to the people of the country with an extra tax on anything if it can be avoided.

We had better cut our expenses. How are the people of the South going to be able to stand additional taxation at this time? Immediately after this bill is passed or as an amendment it is the intention to pass a measure relieving them in some way from their distress. Their needs are real, and we have a real duty which we owe to those people to perform. I believe that the Congress should go straight about it and give them the help they need. But it seems to me it ought to cut off unnecessary expenses in order to do so. I think a close analysis would show from 30 to 40 cents on the dollar of the average expenses of the Government could be saved.

Now, then, believing as I do that our duty first lies in that direction, I am going to vote against this bill and each and every item in it. I think it is inexpedient, that the Democratic Party will not profit by it, that it will be an injury to it, and that the Nation at large will suffer in consequence of it, and that our duty lies the other way.

As for the whisky tax, this tax upon liquor, I think the Government will make no profit by going into partnership with any such trade or traffic as that. It never has in the past nor will it ever in the future. The manhood of the country suffers from it, and it costs more to take care of the results of the use of intoxicants than we can make by taxing it.

Mr. SMOOT. Mr. President, before this amendment is agreed to I want to ask the Senator from North Carolina [Mr. SIM-



mons] why it applies only to rectified whisky? Is there any good reason why it should not apply to distilled spirits?

Mr. SIMMONS. Rectified whisky and distilled spirits are partly the same and they are partly not the same. It was not the purpose, I will say to the Senator, to increase the tax upon distilled spirits. It was the purpose to put a tax upon rectified spirits. In the present law there is no tax upon rectified spirits as such. There is a tax upon the spirit content of rectified spirits, but not upon rectified spirits as distinguished from ordinary distilled liquors.

Mr. SMOOT. Mr. President, I can not see why, if we are going to impose a tax upon rectified spirits, we should not impose a tax upon distilled spirits. There is no reason that could be given why one should be taxed and the other not taxed, unless perhaps it may be that it applies more to one section of the country than another. I hope, Mr. President, that that was not considered when this amendment was agreed to by the majority.

In looking up the production of distilled spirits and rectified spirits I find that for the fiscal year ending June 30, 1913, there were manufactured in the United States 185,353,383 gallons of distilled spirits and 108,678,542 gallons of rectified spirits.

I have thought, Mr. President, of offering an amendment by imposing the tax not only upon rectified spirits but upon distilled spirits. It will be a little more than double the tax, and I believe if that were adopted by the Senate it would be a better distribution of the burden of the tax.

Mr. WILLIAMS. If the Senator will pardon me a moment, I want to suggest this to his mind: There is a difference between the amount of tax really paid now upon rectified whisky and that on other or straight whisky; and although I thought it was a larger difference than this, I am informed at the Treasury Department that 5 cents per gallon on rectified whisky would equalize the two in the amount of tax they pay. So even if the Senator were going to propose to raise the tax upon distilled spirits generally, the tax upon rectified spirits ought to be at least in the proportion that 5 cents is to the present duty higher than that upon the straight whisky.

Mr. SMOOT. Mr. President, I do not see that that follows, because the tax is imposed upon rectified whiskies, upon the actual amount of distilled spirits in them, plus the adulteration.

Mr. WILLIAMS. Here is the way it is done, as I understand it: A certain amount of straight whisky goes to the warehouse. Then the man takes it out and "rectifies" it. He puts into it distilled prune juice, distilled rotten apple peelings, sirups, some water, maybe a little glycerin, anything else under the sun, and makes stuff that is poisonous to the human stomach. A great many people think it is all poisonous, but I mean the same quantity of rectified whisky is more poisonous to the human stomach than the straight goods. He makes it out of cheaper materials, and, as a consequence, gets an advantage. He can take, say, 75 per cent of straight whisky and add 25 per cent of adulteration. Then he has 100 per cent of rectified spirits, and, in addition, has left over 25 per cent of straight whisky to form part of more rectified whisky.

Mr. SMOOT. Mr. President, the explanation of the Senator from Mississippi is about as I thought I had stated the case. I believe that wherever an article is adulterated and it is to be sold to the country as straight goods, there ought to be a tax imposed upon it, and there ought to be more tax imposed upon it than the difference that exists in our present law to-day.

Mr. NORRIS. Mr. President, I wish to ask the Senator if I am right in my belief that under the present law there is no difference in the tax upon rectified spirits and that upon distilled whisky?

Mr. SMOOT. There is no difference in the amount of tax on distilled spirits and rectified whisky, but there is this difference, that whatever adulteration is added, if it may be called such—and it has been so designated by the Senator from Mississippi [Mr. WILLIAMS]—it also pays the \$1.10 tax.

Mr. NORRIS. It does not pay it now?

Mr. SMOOT. It does pay it now. But it seems to me that, if we are going to impose a tax at all upon whisky, it ought to be imposed upon both distilled spirits and upon rectified spirits.

Mr. NORRIS. I wish the Senator would explain the difference between distilled spirits and rectified spirits.

Mr. SMOOT. The difference is this: Distilled spirits are, as nearly as can be, 100 per cent pure; such spirits are understood to be as pure when they are 100 per cent proof; but the rectified whisky or spirits is that in which there has been an adulteration, where something else has been added to the distilled spirits which is the basis of rectified whisky.

Mr. NORRIS. To get rectified spirits you take the pure distilled spirits and put something else in it; then it is called rectified spirits?

Mr. SMOOT. It is then called rectified spirits.

Mr. NORRIS. You may put something in it—that is the entire difference—and you may make a gallon and a half of it?

Mr. WILLIAMS. A gallon and a quarter, about, let us say.

Mr. NORRIS. But you pay no more tax on it; is that it?

Mr. SMOOT. About a gallon and a half.

Mr. NORRIS. Is there any limit fixed by rule or by law?

Mr. SMOOT. There is no limit fixed.

Mr. NORRIS. You could rectify it almost in any way you desired?

Mr. SMOOT. Yes; it could be made poor or made good, so called.

Mr. NORRIS. If you take a gallon of pure distilled whisky and put a half gallon of water with it, would it then become rectified spirits?

Mr. SMOOT. No; they must add sirups and other articles.

Mr. WILLIAMS. They do put water in it.

Mr. SMOOT. They put sirups in it, and perhaps they may add, and they do add, water to make up the quantity; but I can not say just exactly what percentage of water is added; in fact, I know very little about the manufacturing of whisky.

Mr. LANE. Do they sometimes add drugs like fishberry, the cocculus indicus, or something that will make the drunk come to them quickly?

Mr. SMOOT. Not that I know of.

Mr. WILLIAMS. I will say to the Senator from Nebraska that I do not think they add as much as a half gallon; I think it is about 25 per cent.

Mr. SMOOT. About a half.

Mr. NORRIS. Who determines how much they can add? How is the amount determined?

Mr. WILLIAMS. The distiller determines it; but there is a test of the strength of the whisky, you understand, made by the gauger. You take the straight whisky and you put in 25 per cent of other things, and the same tax is paid per gallon as on the straight whisky; in other words, the distiller cuts off 25 per cent of his tax.

Mr. SMOOT. But he does not get the same price for his article.

Mr. WILLIAMS. That depends on the part of the country in which he sells it. Some people are fond of what they call "blended whisky," and they pay a fancy price for it, although it is more poisonous than straight whisky. Most people do not know the difference.

Mr. NORRIS. That was the question that was determined by President Taft a few years ago in answering the question, "What is whisky?"

Mr. WILLIAMS. Yes.

Mr. NORRIS. Is the matter now exactly determined by law or by rule?

Mr. WILLIAMS. I do not know, except that our United States chemist at that time, Dr. Harvey Wiley, I believe, was very much in favor of making the distillers put upon every gallon of rectified whisky just what they had put into it in addition to the whisky. That failed; but they did hold that some of it was whisky—I am not acquainted with the details—although it had been rectified with other elements. They may forbid it being labeled "Straight whisky" or require it to be labeled "Blended whisky."

Mr. NORRIS. For the purpose of getting the information before the Senate and for my own understanding, there is now levied a tax of \$1.10 a gallon under the present law, is there not?

Mr. SMOOT. That is true.

Mr. NORRIS. And this is on distilled whisky?

Mr. SMOOT. That is on distilled spirits.

Mr. NORRIS. Is there anything stated in the law about rectified spirits?

Mr. WILLIAMS. No; and for that reason both distilled whisky and rectified whisky pay the same tax.

Mr. NORRIS. Well, does the Senator from Mississippi mean by that that if you had a gallon and a half of rectified whisky and a gallon of distilled spirits—straight whisky, as you call it—that you would pay on the gallon and a half of rectified whisky the same amount of internal revenue that you would on the other?

Mr. WILLIAMS. No; I do not mean that. What I mean is that if you took a certain quantity of straight whisky you would pay a certain tax per gallon upon it, and if you took the same quantity of rectified whisky—they are both distilled, of course—you would pay the same tax per gallon upon that. Then you would have enabled yourself to save that much straight whisky out of each barrel to make more rectified whisky, and thereby escape that much tax.

Mr. NORRIS. Under the present law, when is the tax levied? Is it levied before the whisky is rectified or afterwards?



Mr. SMOOT. It is paid when the whisky is withdrawn from bond.

Mr. WILLIAMS. It is paid when the whisky is withdrawn from the warehouse, when it is sold.

Mr. NORRIS. It may be rectified or not, then?

Mr. WILLIAMS. It may be rectified or not.

Mr. SMOOT. If the Senator from Mississippi will permit me, I will say to the Senator from Nebraska that the tax is paid upon the amount that is in the barrel at the time it is withdrawn; there is no tax paid upon the quantity evaporated.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Certainly.

Mr. SIMMONS. I think there is some confusion about this matter.

Mr. NORRIS. Yes; there is a great deal.

Mr. SIMMONS. I do not know that I can say anything to clarify it, but I should like to try. Whisky is taxed according to its proof; that is, 100 proof spirit is taxed \$1.10, and 100 proof whisky is about 50 per cent of absolute alcohol. That is the difference between proof spirits and alcohol; proof spirits has about one-half absolute alcohol. A tax of \$1.10 is imposed upon a gallon of 100 proof spirits. If it is desired to rectify that, the rectifier, under the present law, pays no other tax; the tax has already been paid. He receives for rectification spirits which have been taxed \$1.10, 100 proof. Now, under the law he can reduce that proof by the addition of sirups and other concoctions down to 75 per cent proof. Then he sells it as rectified spirits, without paying any additional tax whatsoever. He has increased the quantity; he has taken a gallon of whisky 100 proof and has reduced it to 75 per cent proof by adding other materials to it, so that in the rectified gallon there are not all of the spirits that were in the tax-paid gallon; in fact, only 75 per cent.

The thought of the committee was that if the distiller put that upon the market and sold it as rectified spirits, sometimes called "blended spirits," and selling it in the market at approximately the same price as straight whisky, thus securing the benefit of the additions that he has made to it, possibly without any reduction in the price at which he sold it, it was proper that he should pay some tax.

Mr. WILLIAMS. He sells it as whisky.

Mr. SIMMONS. He sells it as whisky, but I think the law requires him to mark it "blended." The public, however, does not understand that the word "blended" signifies liquor at a lower proof than straight whisky.

There is another reason why the rectifier should pay a tax, and that reason is this: Every time a gallon of whisky is blended and put in a container the Government has to place a stamp upon it. That stamp the Government is now placing without charging anything whatsoever for it to the rectifier. The Government has the stamp printed, and the Government sends a public official, a deputy collector, who puts that stamp on without any expense to the rectifier whatsoever. It was thought that he should not only reimburse the Government for that expense, which amounts, I think, to something in the neighborhood of a million dollars a year—

Mr. WILLIAMS. This tax will bring in \$5,000,000.

Mr. SIMMONS. I am not talking about the tax now; I am talking about the cost of printing and putting the stamp on. I think it has been estimated that it costs the Government about a million dollars a year to put the stamp on rectified packages just for the accommodation of the dealers in rectified spirits; and they pay no tax to the Government whatsoever—not so much as to reimburse it for its expenses.

Mr. SMOOT. So that the Senate may understand the disadvantages which the rectifier claims he is under, I want to call attention to the fact that when he withdraws distilled spirits for the purpose of rectifying them he pays the \$1.10 tax upon every gallon that is withdrawn at that time, and whatever evaporation takes place after that he loses; but the dealer in distilled spirits only pays the \$1.10 upon what there actually is at the time the spirits are withdrawn from the warehouse.

Mr. WILLIAMS. But he can draw it out before evaporation or at the same stage of evaporation, just as the other man can.

Mr. SMOOT. Yes; but the Senator knows they seldom do that; and the Senator also knows that in some cases the evaporation amounts to 20 per cent, and has been known to amount to even more. They do not pay on the evaporation; and therefore the rectifier is at a disadvantage as to the amount that evaporates.

Mr. NORRIS. Does the rectifier pay on the evaporation?

Mr. SMOOT. The rectifier has to pay when he receives his distilled spirits on the number of gallons which he receives; but the distilled spirits when made are put in bonded warehouses and sometimes held for years, and the distilled-spirit dealers do not pay the tax until they withdraw the distilled spirits from the bonded warehouse. When they do that, they pay \$1.10 a gallon upon the actual gallons that there may be at the time in the barrels.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me a minute, it is true that, as a rule, straight whisky is kept in bonded warehouses longer than the whiskies that are taken out for the purpose of being rectified, but neither the man who rectifies nor the man who does not rectify pays a dollar upon evaporation which has taken place at the time he withdraws the whisky.

The man who keeps it in the bonded warehouse for a long time, and thereby has less tax to pay because of the evaporation, has at the same time done without his money for a longer period. He has held his whisky from the market a longer time.

Mr. NORRIS. But he gets a higher price for his whisky.

Mr. WILLIAMS. He holds the whisky for the purpose of making it ripe by natural processes, instead of ripening it by artificial processes, as the rectifier does. The rectifier, as a rule, takes it out earlier, and then he artificially ripens it by sirups and various other articles, and it is sold to the public as a ripened whisky.

The Senator knows that the chief poisons in whisky are what are called the volatile essences. The longer the whiskies are ripened the more they evaporate and the more these volatile poisons go off into the air and are out of the drink which is taken into the human stomach.

The Treasury Department and the Commissioner of Internal Revenue have always wanted a special tax upon rectified whisky, sufficient not only to pay for the stamps, but something more besides, and they have so recommended several times.

If the motion of the Senator from Utah should prevail and we should increase the tax upon all whiskies, then there ought to be an increase of more than 5 per cent in addition to be placed upon rectified whiskies, in order to make the two classes of people pay the same tax, predicated upon the assumption that they take the whisky out of the warehouse at the same time, which, of course, they have a right to do.

Mr. SMOOT. But which they do not do.

Mr. WILLIAMS. Which, as a practical fact, for the most part they do not do, because the higher grades of whisky are kept in the warehouses in order to get the bonded warehouse certificate, which indicates natural ripeness.

Mr. NORRIS. Mr. President, if the Senator from Utah will permit me, it seems to me that the argument of the Senator from Mississippi would go to show that under existing law there is an inequality existing. The remedy proposed would only be temporary; and if the Senator's theory be true—and I presume it is; I have no reason to doubt it—then this provision ought to be made permanent law, instead of being put on a temporary act, which will end at a specified time, and thereafter the inequality will continue.

To see if I understand the situation, I want to ask the Senator from Utah, or some other Senator, a question; and in order that the Senator may understand me, I want to suppose, for the purpose of the question or the illustration, that we have here two gallons of whisky upon which the tax has not been paid, one gallon being rectified whisky composed of 75 per cent of pure distilled whisky and 25 per cent of adulteration and the other gallon being pure distilled whisky. If the internal-revenue collector were there to collect the Government tax, would the owner of the whisky have to pay the same tax on each one of those gallons?

Mr. SMOOT. He would, Mr. President, pay exactly the same tax—\$1.10 per gallon.

Mr. NORRIS. Then, it seems to me, if that be true, under existing law, on the impurity, or whatever is put in the whisky to adulterate it and at the same time increase its value, the rectifiers are paying exactly the same tax as is paid on the straight article.

Mr. SMOOT. And they ought to be penalized for it. I believe that that is right.

Mr. NORRIS. I am not objecting to that. What I want to get at is the exact facts, so as to see whether or not the increased tax ought to be put on both kinds alike. If that be true, it seems to me that the same tax ought to be levied on rectified and distilled spirits.

Mr. SMOOT. It certainly would have to be to make things equal as the law stands to-day.



Mr. NORRIS. In other words, the law as it exists to-day does not recognize, so far as taxing purposes are concerned, any difference between impure whisky and pure whisky?

Mr. SMOOT. None whatever, so far as the gallon is concerned.

Mr. MARTINE of New Jersey. Mr. President, I should like to inquire of the Senator from Utah, if I may, what his amendment is with reference to this?

Mr. SMOOT. I had not yet offered the amendment. I have been informed that this tax of rectified spirits was agreed upon in caucus, and if that is the case, of course there would be no need of my offering the amendment; but if the Senator will let me proceed now to state some of the facts as they really exist in relation to the amounts produced, and where produced, and what effect this amendment will have, I will then return to the question of offering the amendment.

Mr. NORRIS. I should like to ask the Senator, if we ought to increase the tax on all kinds of whisky alike, we would reach that, would we not, by striking out the word "rectified," so that there would be assessed a tax of 5 cents per gallon in addition to the present tax upon each gallon of whisky?

Mr. SMOOT. I think, to make it entirely clear, it ought to be "upon each gallon of distilled and rectified spirits."

Mr. MARTINE of New Jersey. "Distilled and rectified" will cover it.

Mr. NORRIS. All whisky is either distilled or rectified, or both, is it not?

Mr. SMOOT. It is.

Mr. NORRIS. Then, if we should strike out the word "rectified," you would have a tax assessed on each gallon of whisky. Would not that include everything?

Mr. SMOOT. I rather think it would, Mr. President.

Now I wish to call attention to the fact that in the law of 1898 there was no tax placed upon either distilled whisky or rectified whisky; but in this bill a tax is imposed upon rectified whisky, and the revenue from it is estimated at \$5,000,000. I can not yet understand why this was done, unless it was for the purpose of compelling the \$5,000,000 which is to be received through this tax to be paid largely by the Northern States.

Mr. SIMMONS. Oh, Mr. President—

Mr. SMOOT. The Senator intimates that I am mistaken.

Mr. SIMMONS. I want to say to the Senator that he is mistaken. I never heard, until it was suggested here on the floor of the Senate, the suggestion that there was any sectionalism in that provision of the bill. I want to say to the Senator, furthermore, that in no committee meeting of the majority Members was such a thing suggested; and there are upon the committee, I believe—counting the Senator from Missouri [Mr. STONE] as a western Senator—an equal number of Senators representing the South and the West.

Mr. JOHNSON. And the East.

Mr. SIMMONS. I do not know exactly, but there is an equal number—5 and 5, I think. A suggestion of a sectional tax would have been resented, and it was not thought of.

The reason this was proposed was because the Commissioner of Internal Revenue has been for a long time suggesting that there should be a tax upon rectified spirits. That suggestion was made to the Finance Committee when we were framing the tariff bill, as I recall, but it was not put in that bill. It has been constantly urged by the Commissioner of Internal Revenue. I think you will find it in the reports. I know, from personal conversations with the present commissioner, that he has suggested it, and it had been suggested before that time in the reports of the commissioner.

Mr. SMOOT. In that connection, then, I wish to call attention to the other items that are not taxed by this bill, and that were taxed by the act of 1898.

If the Senators will take the war-revenue bill—which, by the way, I think ought not to be designated a war-revenue bill—if they will take the document showing the comparison of additional revenue derived in 1900 and the estimated additional revenue to be derived for a year under the provisions of House bill 18891 as it passed the House and as it was reported to the Senate, they will find that rectified spirits is one thing on which the present bill imposes a tax that was not imposed by the act of 1898.

Now, let us consider the other items on which a tax was imposed by the act of 1898 and eliminated in this bill and see where they are largely produced.

First, there is tobacco and snuff. There was collected under the act of 1898, in the year 1900, \$17,635,607. There is no tax whatever on these items in the bill.

Take cigars. There was collected, in 1900, \$3,180,784.

Mr. SIMMONS. Did I understand the Senator to say that there is no tax on tobacco and snuff?

Mr. SMOOT. There is a tax upon the dealers in tobacco and snuff. But on tobacco and snuff, if the Senator will remember—

Mr. SIMMONS. I am not talking about the pending bill; but under the present law did I understand the Senator to say there is no tax on tobacco?

Mr. SMOOT. Oh, no; I never referred to the present law. I said "in the pending bill."

Mr. SIMMONS. Very well.

Mr. SMOOT. The bill that we have under consideration as a revenue measure is the one to which I referred. I was calling attention to the fact that the amount collected from tobacco and snuff in the year 1900 under the revenue act of 1898 was \$17,635,607, and it is not taxed at all under the present bill. From cigars we collected \$3,180,784; there is no tax whatever upon them in the present bill. From cigarettes we collected \$1,320,305 under the act of 1898, but there is no tax imposed upon them by the present bill.

The next item is petroleum and sugar refiners. There was a tax of \$1,079,000 collected under the act of 1898. There is nothing imposed upon petroleum or sugar refiners in this bill. It seems to me the present bill has been framed in such a way that the amount of tax will fall most heavily upon the Northern States.

Let me refer now to the item of rectified whisky.

Mr. SIMMONS. Will the Senator pardon me just for a minute before he leaves the subject of tobacco?

Mr. SMOOT. Certainly.

Mr. SIMMONS. I want to say that in 1898 the tax was raised from 6 cents to 12 cents on manufactured or plug tobacco. Subsequently that tax was repealed by the general law, and reduced again to 6 cents a pound. After that, I believe somewhere around 1906 or 1907—I do not recall which—we increased the tax on manufactured tobacco from 6 to 8 cents. The tax on large cigarettes was raised during the war-revenue period to \$3.60 a thousand. That has been since reduced to \$2.

That is the statement I wished to make as to that part of the situation.

Mr. SMOOT. That is not the revenue tax. That is the regular tax imposed under the law.

Mr. SIMMONS. That is the regular tax that is now imposed upon cigars. Upon plug tobacco there is a tax of 8 cents a pound. Upon cigars there is a tax of \$3 per thousand. Upon cigarettes weighing more than 3 pounds to the thousand there is a tax of \$3 a thousand, and upon cigarettes weighing less than 3 pounds to the thousand there is a tax of \$1.25 a thousand at present. That is equivalent to a tax of 42 cents upon each pound of tobacco in a thousand cigarettes.

Mr. SMOOT. That was the case in 1898, when the former law was passed.

Mr. SIMMONS. The tax on cigarettes was increased to a dollar and a half at that time. I am merely stating now that the present tax on cigarettes is at the rate of 42 cents a pound for the tobacco in a thousand cigarettes; the tax on cigars is at the rate of 15 cents a pound for the tobacco in the cigars; the tax upon plug tobacco is 8 cents. In addition to that, we have a tariff tax upon the tobacco that is used in the manufacture of both plug tobacco, cigars, and cigarettes.

Tobacco is to-day paying nearly one-half of the entire amount that the Government realizes from its internal-revenue taxes. Under the present law the taxes collected by the department as internal-revenue taxes amount to \$79,000,000 a year. The taxes collected through our customhouses upon the tobacco that goes into the manufacture of plug tobacco and cigars and cigarettes amount to \$35,000,000 a year; and the taxes which this bill carries against persons engaged in the manufacture of tobacco, cigars, and cigarettes will amount to \$5,000,000 more. So the total tax that tobacco is paying for the support of the Government under our present system is \$125,000,000 every year.

Mr. SMOOT. Mr. President, all of the taxes imposed upon tobacco, as enumerated by the Senator from North Carolina, were imposed before the war-revenue tax was placed upon it in the year 1898. We did not collect as much revenue from tobacco at that time because there was not as much used in the country as there is now; but the taxes were imposed, and notwithstanding those taxes at that time, there was also imposed upon the items of tobacco, snuff, cigars, and cigarettes a tax that yielded to the Government of the United States nearly \$21,500,000. The committee, however, has seen fit to relieve those items entirely from the imposition of a revenue tax at this time.

I want to say to the Senator from North Carolina that, in view of the fact that the distilled spirits are not taxed and the rectified spirits are taxed, my statement that it was a sectional matter, and the tax would fall upon the Northern States more



than upon the South, was based upon the figures showing where each is produced, and thus showing where the tax would fall if imposed. I find that the rectified spirits are manufactured largely in New York, Pennsylvania, Illinois, and Ohio. Each one of those States produces more rectified spirits than the State of Kentucky; and I find that Kentucky produces only 7 per cent of the rectified spirits manufactured in the United States, while she produces 24 per cent of the distilled spirits, and under this tax of 5 cents per gallon on rectified spirits she would be called upon to pay \$379,000, whereas if it applied to the distilled spirits she would be compelled to pay \$2,100,000 of the \$5,000,000 imposed.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Yes; I am glad to yield.

Mr. SIMMONS. So far as concerns the place where the rectified spirits are produced, or the place where the tobacco is produced, I do not think it has one thing in the world to do with the payment of the tax. The committee had no thought about the locality in which these things were manufactured. If there are any taxes in the world that are not paid by the manufacturer, they are the whisky tax and the tobacco tax.

The tax on a gallon of whisky is \$1.10. There is not anybody that does not know when he buys that whisky that the man who buys it and drinks it pays the tax. The man who manufactures it paid it in the first instance, and in every instance he transmits it to the man to whom he sells it. The man who finally consumes it pays it eventually. That is true of whisky, and that is absolutely true of tobacco. The man who manufactures tobacco may live in New York. He pays the tax to the Government in the first instance, and then he transmits it to the retailer, and the retailer transmits it to the man who chews it or who smokes it. It does not make any difference where it is manufactured—either tobacco or whisky—the tax is paid by the people of the country in the North, in the East, in the West, and in the South just in the proportion as they drink whisky or as they consume tobacco.

Mr. SMOOT. That is not the history of the revenue act of 1898. I call the attention of the Senator to the fact—and I think he will well remember it—that the packages of smoking tobacco were changed in size. I bought tobacco at that time as a merchant; and not only were the tobacco packages decreased in size, but the plug tobacco—

Mr. SIMMONS. That proves what I said, so far as that is concerned.

Mr. SMOOT. No; it is just the reverse of what the Senator said. The Senator, as I thought, said that the tax was not paid by the consumer.

Mr. SIMMONS. I said that the manufacturer escaped it. I do not care by what device or manipulation he escapes it; the fact is that he escapes it.

Mr. SMOOT. I agree with the Senator that the manufacturer escapes it. I do not think there is any question about that.

Mr. SIMMONS. It is paid, in the end, by the consumer.

Mr. SMOOT. But the Senator said there was no difference in the price at which it was sold to the consumer.

Mr. SIMMONS. Oh, no; I did not say there was no difference in the price at which it was sold to the consumer. I said the consumer pays the tax.

One other suggestion. The Senator says, because we have imposed a tax upon rectified spirits, that we have discriminated in favor of the South. The Senator says, because we have not imposed a tax upon tobacco, that we have discriminated in favor of the South, because the South is a producer of tobacco. Now, if it be true that when we relieved the South from further taxation upon tobacco and cigarettes we discriminated in favor of the South, then when his party put upon tobacco in this country a tax of \$125,000,000 it discriminated against the South in doing that. If one is a discrimination, the other is a discrimination.

Mr. SMOOT. There is not an item in the tariff bill to-day that carries a much higher protective rate than tobacco. Who does not remember the speech made by the Senator from Kansas in relation to the enormous tax on tobacco when the present tariff act was under discussion?

Mr. SIMMONS. I was referring to the internal-revenue tax.

Mr. SMOOT. I know the Senator was referring to the internal-revenue tax, but I am referring to the fact that this Government protects the tobacco grower by a duty upon imported tobacco. I admit freely that the Republican Party has always in the past felt that it was a legitimate product to be taxed in order to maintain the Government of the United States, and there is not a civilized country on earth that does not do exactly the same thing. Even the free-trade countries,

so called, imposed a higher rate of taxes upon tobacco than does the United States.

Mr. SIMMONS. The point I was making when the Senator interrupted me was that if it was a discrimination in favor of the South—and that was the point he had been pressing—not to further tax it, then it must have been equally a discrimination against the South to have originally taxed it to the extent to which they did tax it. If all the tobacco in this country was made in the South, and if it is a discrimination against the country to impose a tax upon an article which is produced, then it was a discrimination when we put the internal-revenue tax upon tobacco.

Mr. SMOOT. No; it was not a discrimination against the South then, because the tax was balanced by the imposition of taxes upon items that were almost entirely made in the North. For instance, we imposed a tax upon beer, which is produced largely in the North, and that is also taxed in this bill. In this bill a tax on beer is imposed in exactly the same way.

I want to say to the Senator if he will carefully take these figures and figure out the taxes imposed upon the goods made in the North and those made in the South he will find that at least 80 per cent of the tax will come from the North and 20 per cent or less from the South. That was not the case, Mr. President, with the act of 1898, because at that time there was imposed a tax of \$21,000,000 upon tobacco, snuff, and cigars. That has been wiped out, but not so with the beer tax. The tax of 5 cents a gallon on rectified spirits is provided for in this bill, the great bulk of which is made in the States of Pennsylvania, Ohio, Illinois, and New York.

Mr. SIMMONS. It would be absolutely impossible for any man upon the face of the earth to determine exactly how much any one section of the country would pay of the taxes imposed by this bill. The majority of these taxes are imposed upon things that are done in one section of the country just as they are done in every other section of the country and the tax is in proportion to the traffic in one section and the traffic in another section of the country.

Mr. SMOOT. I want to say to the Senator—

Mr. SIMMONS. If it be true, as the Senator said, and it is not true, that 80 per cent of the tax imposed by this bill is imposed upon the North and East and West and only 20 per cent of it is imposed upon the South, it would be not very far short of the proportion which the balance of the country bears to the South in population, in wealth, and in business.

Mr. SMOOT. The Senator says it is not true, but I am perfectly willing, so far as I am concerned, to allow the Senator himself to sit down and figure the percentage of the production of every item in this bill and let him decide what percentage is produced in the North and what percentage is produced in the South. I have given more than a liberal allowance; I am well within the bounds of truth when I state that it will be 80 per cent for the North and 20 per cent for the South. I am perfectly willing to let the Senator from North Carolina decide it himself, because I have absolute confidence that he knows enough about where the goods of this country are produced and will be at least fair, and if he is I know he can not arrive at any other conclusion.

Mr. SIMMONS. It would be impossible for the Senator, I suppose, to select any other items in the bill outside of beer and tobacco and rectified spirits where he could locate the point of production of the particular article, unless it be chewing gum; I do not know about that; I do not know where it is produced; I have never kept up with it, but wherever it is produced, it is consumed in the country. I submit as a common-sense proposition—I do not want to argue it—that the tobacco tax is paid not by the man who manufactures it, and not in the section of the country where it is manufactured, but, as a matter of fact, it is paid by the man who consumes it, I do not care where he is. The tax will fall upon the people of this country just in proportion as the habits of the people of one section demand more tobacco or more whisky than the habits of the people in another section of the country, and as to chewing gum, the tax will be borne in connection with the habits of the people just in proportion as the women and children in one section of the country chew more gum than do the women and children in another section of the country. Where it is manufactured and produced has absolutely nothing to do with the payment of the tax. As Mr. Dingley said, it is an article upon which every man can select the amount of tax that he wants to pay. If he wants to pay a big tax, he will consume a large quantity of liquor and a large quantity of tobacco. If he wants to pay a small tax, he will consume but little tobacco and little whisky.

Mr. MARTINE of New Jersey. Mr. President, I can not believe, I do not want to believe, I will not believe, that the committee was prompted or actuated by any thought of sec-



tionalism or geography as to where this tax should be levied. I can not believe that. I do not agree with my fellows sometimes, but—

Mr. SIMMONS. I will say to the Senator that that claim is absolutely absurd.

Mr. MARTINE of New Jersey. It seems to me so. I do believe and feel that the Senate of the United States is made of better stuff than to be governed by little sectional ideas, whether it shall affect the confines of my State or your State or some other State.

But I am frank to confess with reference to this rectified spirit scale, I was troubled about it when the matter was before the committee, and I there spoke of it. It does seem to me, Mr. President, that all should bear that tax, whether it be rectified or distilled spirits, and each should bear it alike. I do not know just the mystification of what constitutes rectification, but it is all whisky. It will all tend to deliriousness. It is sometimes an absolute and prime necessity, but it is a luxury at best, and I can see no reason why distilled spirits should not share the burdens of our Government and the necessities of this occasion, which are not partisan. They are not necessities made by the Democrats or by the Republicans, and they should bear this tax equally and alike.

We have raised the tax on beer to \$1.75 a barrel. They write me and tell me in telegrams by the score that beer is a poor man's drink. As I said once before, I think it is a poor drink at that, but that is a matter of the taste of the man who drinks it. However, you can not get rid of the fact that there are tens of thousands—aye, millions—of people in this land and in other lands who deem beer a liquid food. Many families, whether wisely or unwisely, are brought up on it. The tax was raised from \$1 a barrel to \$1.75 a barrel. Many feel that this is an unfair and an unjust discrimination and burden. I can see no reason why a man who drinks whisky should not pay his share in proportion, as near as may be, to the man who drinks beer.

I feel it is unfortunate to drag this question of geography, of sectionalism, in here, but I want to say about tobacco, I think it is one of the noxious things of God's creation. I have never favored it. I can not say that I particularly rebel at the fumes of a well-flavored cigar, but I believe it is one of the things that humanity could well do without far better than people could do without alcoholic spirits. I believe the world universally and the medical profession as well would say this. But while our tax bill has taxed tobacco and has taxed tobacco hard, \$4.80 on any place that shall sell tobacco, whether it be in a palace or in a modest little shop, I insist that the method of levying this tobacco tax should not be arbitrarily on the pound or necessarily on the thousand, but I think the man who buys three cheroots, or whatever you call them, for 5 cents should not pay as much proportionately as the man who buys a perfecto at 15 or 25 cents apiece. I feel that the tax on tobacco should be a graduated tax, according to the value of the cigar that the man who can afford it regales himself with, so that the man who smokes a cigar costing 15 to 25 cents should pay more than the man who smokes the miserable little cheroot and makes himself believe that he is growing happy. I think there should be a discrimination there.

I believe the necessity exists for raising this revenue. I believe the promptings are broad and patriotic, but I say we should not discriminate against rectified spirits. Let us treat them all generally alike. It will double the revenue and no one will find any fault.

Mr. LANE. I would like to say, for the information of the Senator, that there is a great deal of difference between distilled spirits and rectified spirits.

Mr. MARTINE of New Jersey. I do not know the difference.

Mr. LANE. I have been told while the discussion has been going on, by a gentleman who has been connected with the business, that out of 1 gallon of distilled spirits they make 2½ gallons of rectified spirits by adding water, vinegar, high wines, and spices, and things of that sort. That increases the quantity two and a half times. Now, if you are going to drink whisky you should drink as pure whisky as you can get and only the best you can get. It is bad enough even when you do that.

Mr. MARTINE of New Jersey. I will say to the Senator that it is a matter of taste.

Mr. LANE. Whisky that has been doctored in that manner is a fraud, and that, I am told, is the best rectified spirit. The rectifier without conscience, who cares not so long as he makes money, puts in tincture of tobacco, tincture of cocculus indicus or fish berries, tincture of cascarrilla, and distilled spirits or alcohol, and the concoction out on the frontier is known as sheep herder's delight. One drink of it will make a man take his gun and shoot up the town, and with two drinks of it

inside of him he will go out and kill his grandmother. That is the kind of a rectifier, if you are going to put a tax upon intoxicants, who ought to be taxed out of business.

Mr. MARTINE of New Jersey. The Senator is very familiar with the matter of scientific rectification, of which I know nothing. I would like to know what would be the Senator's suggestion as to putting more tax on rectified than on distilled spirits?

Mr. LANE. I would tax it high if I was going to tax it. I do not believe in taxing it. I do not believe that the Government should go into partnership with it, and I do not believe that the people should be made to pay the expense of caring for the results which ensue from it.

Mr. MARTINE of New Jersey. The Government has been doing it since God made Adam, and I think it will continue to do so. I think it would be a disaster for the Government to permit it to run free. I am quite willing that they should tax beer, and I am willing that they should tax whisky. As I said, since Adam's time this has gone on, and in all reason it will go on forever.

I say much of the abuse of alcohol stimulants can be gotten rid of by making it easier for mankind to get bread and butter and seek less solace in intoxicants. I believe it was Miss Frances E. Willard, the great apostle and angel of temperance, who said:

Let us make it easier for mankind to get bread and butter and then freer and easier will be our burden in staying the abuse of alcoholic stimulants.

I believe we have done at least our part as far as we can in lightening the burdens of the people. I am not entirely satisfied, but at least we have gone a step in that direction. When I heard the Senator from Massachusetts this morning holding up the unfortunate picture that everything had come from our legislation, without even charging up anything to the unfortunate conditions of strife abroad and other general social conditions that have been going on the world over for years and culminated in this war, I felt that with all his big generosity usually in this particular instance he was ungenerous.

Mr. SIMMONS. Question!

Mr. MARTINE of New Jersey. Let us know what is the question.

Mr. SIMMONS. I should like to have a vote, if we can, on this section.

The VICE PRESIDENT. The question is on agreeing to section 2 as reported by the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The SECRETARY. The committee proposes to strike out all of section 2 in the bill as passed by the House of Representatives.

Mr. SIMMONS. I ask that the next amendment relating to wine, which is stricken out, and the matter proposed to be inserted by the committee be passed over with it.

The SECRETARY. It is proposed to pass over the proposition on page 3 to strike out section 2, beginning in line 6 and ending in line 24, in the House bill. The committee propose to insert in lieu thereof a new section on page 4, to be known as section 3.

Mr. SIMMONS. I ask that that be passed over.

The VICE PRESIDENT. It will be passed over.

The SECRETARY. The committee proposes to strike out section 3 of the House print, on page 5, beginning in line 18 and ending in line 25.

Mr. SIMMONS. Let all that be passed over.

The VICE PRESIDENT. It will be passed over.

Mr. SIMMONS. Section 2 of the House print is stricken out.

The VICE PRESIDENT. Yes.

Mr. SIMMONS. I wish to pass that over. I ask that section 3 of the Senate print be passed over also.

The SECRETARY. The committee propose to insert as section 3 of the bill, beginning at the top of page 4—

Mr. SIMMONS. I do not wish any action at all upon those two pages. I want to have section 3 of the House bill stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment striking out section 3, page 5, lines 18 to 25, inclusive, gasoline, motor spirits, and so forth.

The SECRETARY. On page 5 it is proposed to strike out from line 18 to line 25, inclusive, being section 3 of the bill as passed by the House.

The amendment was agreed to.

The next amendment was, under the subhead "Special taxes," in section 4, on page 6, line 2, after the word "that," to strike out "from and after November 1, 1914," so as to read:

Sec. 4. That special taxes shall be, and hereby are, imposed annually as follows, that is to say:



The amendment was agreed to.

The next amendment was, on page 6, line 5, after the word "pay," to strike out "\$2" and insert "\$1," and in line 18, before the words "savings bank," to insert "postal savings bank, and," so as to make the clause read:

First. Bankers shall pay \$1 for each \$1,000 of capital used or employed, and in estimating capital, surplus, and undivided profits shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every person, firm, or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this act: *Provided*, That any postal savings bank and savings bank having no capital stock and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax.

Mr. WILLIAMS. I ask the attention of the Senator from North Carolina [Mr. SIMMONS] for a moment. On page 6, line 18, in the committee amendment, I think we have made an error. The language there ought to read:

That any postal savings bank or savings bank having no capital stock.

Mr. SIMMONS. I think the Senator from Mississippi is correct; and on behalf of the committee I ask to strike out the word "and," after the word "bank," in line 18, and to insert in lieu thereof the word "or" in the committee amendment.

The VICE PRESIDENT. If there be no objection, as proposed to be modified by the Senator from North Carolina on behalf of the committee, the amendment will be agreed to. The Chair hears none.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 6, after line 22, to strike out—

Second. Brokers shall pay \$50. Every person, firm, or company whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker: *Provided*, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker.

The amendment was agreed to.

The next amendment was, on page 7, line 5, after the word "pay," to strike out "\$20" and insert "\$50," so as to make the clause read:

Third. Pawnbrokers shall pay \$50. Every person, firm, or company whose business or occupation it is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be deemed a pawnbroker.

The amendment was agreed to.

The reading of the bill was resumed, the last clause read being as follows:

Fourth. Commercial brokers shall pay \$20. Every person, firm, or company whose business it is as a broker to negotiate sales or purchases of goods, wares, produce, or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a commercial broker under this act.

Mr. SMOOT. I ask that clause "Fourth," on page 7, under the headline "Special taxes," be passed over for the present.

Mr. SIMMONS. To what does that relate?

Mr. SMOOT. To commercial brokers.

The VICE PRESIDENT. The Secretary is reading the House text, and an amendment is not now in order.

Mr. SMOOT. Is the bill merely being read, or is it being read for committee amendments?

The VICE PRESIDENT. The bill is being read for committee amendments only.

Mr. SMOOT. Then I have no objection.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 7, line 24, after the words "concert halls," to strike out "in cities having more than 15,000 population as shown by the last preceding United States census shall pay \$100" and insert "where a charge for admission is made, having a seating capacity of not more than 300, shall pay \$25; having a seating capacity of more than 300 and not exceeding 600, shall pay \$50; having a seating capacity exceeding 600 and not exceeding 1,000, shall pay \$75; having a seating capacity of more than 1,000, shall pay \$100"; in line 11, after the word "halls," to insert "or armories"; and in line 14, after the words "under lease," to strike out "at the passage of this act" and insert "when this act takes effect," so as to make the clause read:

Sixth. Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 300, shall pay \$25; having a seating capacity of more than 300 and not exceeding 600, shall pay \$50; having a seating capacity exceeding 600 and not exceeding 1,000, shall pay \$75; having a seating

capacity of more than 1,000, shall pay \$100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That whenever any such edifice is under lease when this act takes effect, the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

The amendment was agreed to.

The next amendment was, on page 9, line 10, after the words "District of Columbia," to insert "*Provided further*, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations," so as to make the clause read:

Eighth. Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay \$10: *Provided*, That a special tax paid in one State, Territory, or the District of Columbia shall not exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be required for exhibitions within any one State, Territory, or the District of Columbia: *Provided further*, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations.

The amendment was agreed to.

The next amendment was, on page 9, after line 19, to insert:

Tenth. Commission merchants shall pay \$20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: *Provided*, That this provision shall not apply to commission houses run upon a co-operative plan.

Mr. SMOOT. I ask that that amendment be passed over.

The VICE PRESIDENT. Without objection, the amendment goes over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "Tobacco dealers and manufacturers," in section 5, on page 10, line 2, after the word "That," to strike out "from and after November 1, 1914," so as to make the clause read:

SEC. 5. That special taxes on tobacco dealers and manufacturers shall be, and hereby are, imposed annually as follows, the amount of such annual taxes to be computed in all cases on the basis of the annual sales for the preceding fiscal year.

The amendment was agreed to.

The next amendment was, on page 10, line 18, after "\$4.80," to insert "for each store, shop, or other place in which tobacco in any form is sold," so as to make the clause read:

Dealers in tobacco, not specially provided for in this section, shall each pay \$4.80 for each store, shop, or other place in which tobacco in any form is sold.

The amendment was agreed to.

The next amendment was, on page 11, line 9, after the word "pounds," to insert "and do not exceed two hundred thousand," so as to make the clause read:

Manufacturers of tobacco whose annual sales exceed 100,000 pounds and do not exceed 200,000 shall each pay \$24.

The amendment was agreed to.

The next amendment was, on page 11, after line 10, to insert:

Manufacturers of tobacco whose annual sales exceed 200,000 and do not exceed 400,000 pounds shall each pay \$48.

The amendment was agreed to.

The next amendment was, on page 11, after line 13, to insert:

Manufacturers of tobacco whose annual sales exceed 400,000 pounds shall each pay \$96.

The amendment was agreed to.

Mr. HITCHCOCK. Mr. President, I have before the Committee on Finance a proposition to carry to a further extent the graduation of these particular taxes, and I suggest to the chairman the propriety of laying the bill aside at this time in order that I may have an opportunity to lay my proposition before the committee this evening.

Mr. SIMMONS. If the Senator desires it, we will let these items go over and continue the consideration of the bill. I do not wish to delay the bill.

Mr. HITCHCOCK. Very well, then; those items may be passed over.

Mr. SIMMONS. All the items on page 11 and the amendment on page 12 relating to the matter?

Mr. HITCHCOCK. Yes.

The VICE PRESIDENT. Do the two amendments which have been agreed to on page 11 in any way interfere with the desire of the Senator from Nebraska?

Mr. HITCHCOCK. The amendments down to and including line 13 will not interfere in any way with my proposition for a graduated tax.

Mr. SIMMONS. How about the amendment beginning in line 14?

Mr. HITCHCOCK. There will be a change in line 14. My proposition is to let the tax remain at \$96 on the manufacturers whose sales exceed \$400,000, but do not exceed \$800,000. I



should therefore like, if the chairman please, to have everything approved down to and including line 13.

Mr. SIMMONS. Very well; let the amendments stand adopted down to line 13; and the remainder of the amendments in the tobacco schedule may go over.

The VICE PRESIDENT. The first two amendments on page 11 have been agreed to; and the balance of the section goes over. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "Adhesive stamps," in section 6, page 12, line 13, after the word "That," to strike out "on and after the 1st day of November, 1914," so as to make the clause read:

SEC. 6. That there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in Schedule A of this act, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, shall be written or printed by any person or persons, or party who shall make, sign, or issue the same, or for whose use or benefit the same shall be made, signed, or issued, the several taxes or sums of money set down in figures against the same, respectively, or otherwise specified or set forth in the said schedule.

The amendment was agreed to.

The next amendment was, on page 13, after line 2, to insert:

And there shall also be levied, collected, and paid, for and in respect to the medicines, preparations, matters, and things mentioned and described in Schedule B of this act, manufactured, sold, or removed for sale, the several taxes or sums of money set down in words or figures against the same, respectively, or otherwise specified or set forth in Schedule B of this act.

Mr. SMOOT. Let that go over for to-night.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 7, page 13, line 18, after the word "court," to strike out "and such instrument, document, or paper, as aforesaid, shall not be competent evidence in any court," so as to make the section read:

SEC. 7. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued, any instrument, document, or paper of any kind or description whatsoever, without the same being duly stamped for denoting the tax hereby imposed thereon, or without having thereupon an adhesive stamp to denote said tax, such person or persons shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$100, at the discretion of the court.

The amendment was agreed to.

The next amendment was, in section 9, page 16, line 21, after the word "court," to insert the following proviso:

Provided, That any proprietor or proprietors of proprietary articles, or articles subject to stamp duty under Schedule B of this act, shall have the privilege of furnishing, without expense to the United States, in suitable form, to be approved by the Commissioner of Internal Revenue, his or their own dies or designs for stamps to be used thereon, to be retained in the possession of the Commissioner of Internal Revenue, for his or their separate use, which shall not be duplicated to any other person. And the proprietor furnishing such dies or designs shall be required to purchase stamps printed therefrom in quantities of not less than \$2,000 face value at any one time. That in all cases where such stamp is used, instead of cancellation by initials and date, the said stamp shall be so affixed on the box, bottle, or package that in opening the same, or using the contents thereof, the said stamp shall be effectually destroyed; and in default thereof the party making default shall be liable to the same penalty imposed for neglect to affix said stamp as hereinbefore prescribed in this act. Any person who shall fraudulently obtain or use any of the aforesaid stamps or designs therefor, and any person forging or counterfeiting, or causing or procuring the forging or counterfeiting, any representation, likeness, similitude, or colorable imitation of the said last-mentioned stamp, or any engraver or printer who shall sell or give away said stamps, or selling the same, or, being a merchant, broker, peddler, or person dealing, in whole or in part, in similar goods, wares, merchandise, manufactures, preparations, or articles, or those designed for similar objects or purposes, shall have knowingly or fraudulently in his, her, or their possession any such forged, counterfeited likeness, similitude, or colorable imitation of the said last-mentioned stamp, shall be deemed guilty of a crime, and upon conviction thereof shall be punished by a fine not exceeding \$500 or imprisonment not exceeding one year, or both.

Mr. SMOOT. Mr. President, if the amendment on page 19 of the bill is disagreed to, this amendment would not be necessary, and therefore I ask that it go over. It refers to the same matter as the amendment passed over on page 13, namely, proprietary medicines.

Mr. SIMMONS. Very well.

The VICE PRESIDENT. The amendment will be passed over. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 10, page 18, line 10, after the word "any," to strike out "bill of exchange, draft, or order, or," and in line 11, after the word "note," to strike out "for the payment of money," so as to make the section read:

SEC. 10. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued, or shall accept or pay, or cause to be accepted or paid, with design to evade the payment of any stamp tax, any promissory note, liable to any of the taxes imposed by this act, without the same being duly stamped, or having thereupon an

adhesive stamp for denoting the tax hereby charged thereon, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$200, at the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 18, after line 17, to strike out:

SEC. 11. That the acceptor or acceptors of any bill of exchange or order for the payment of any sum of money drawn, or purporting to be drawn, in any foreign country, but payable in the United States, shall, before paying or accepting the same, place thereupon a stamp, indicating the tax upon the same, as the law requires for inland bills of exchange or promissory notes; and no bill of exchange shall be paid or negotiated without such stamp; and if any person shall pay or negotiate, or offer in payment, or receive or take in payment, any such draft or order, the person or persons so offending shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$100, in the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 19, line 6, to change the number of the section from "12" to "11"; in the same line, after the word "That," to strike out "in any collection district where, in the judgment of the Commissioner of Internal Revenue, the facilities for the procurement and distribution of adhesive stamps are or shall be insufficient, the commissioner, as aforesaid, is authorized to furnish, supply, and deliver to the collector of any district, and the said collector is hereby authorized to furnish to any assistant treasurer of the United States or designated depository thereof, or any postmaster located in his collection district," and insert "the collectors of the several districts are hereby authorized and required to furnish to any assistant treasurer of the United States or designated depository thereof, or any postmaster located in their collection districts, respectively"; in line 20, after the word "any," to strike out "collector" and insert "designated depository"; on page 20, line 3, after the word "such," to strike out "collector" and insert "collectors"; in the same line, after the word "supply," to strike out "his" and insert "their"; and in line 4, after the word "within," to strike out "his district" and insert "their respective districts"; so as to make the clause read:

SEC. 11. That the collectors of the several districts are hereby authorized and required to furnish to any assistant treasurer of the United States or designated depository thereof, or any postmaster located in their collection districts, respectively, a suitable quantity of adhesive stamps, without prepayment therefor, and may in advance require of any designated depository, assistant treasurer of the United States, or postmaster a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. And it shall be the duty of such collectors to supply their deputies with, or sell to other parties within their respective districts who may make application therefor, adhesive stamps, upon the same terms allowed by law or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations, not inconsistent herewith, for the security of the United States and the better accommodation of the public, in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient. And the Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safe-keeping or prevent the illegal use of all such adhesive stamps.

The amendment was agreed to.

The next amendment was, on page 20, line 16, to change the number of the section from "13" to "12," and on page 21, line 2, after the word "court," to strike out "and such instrument, document, or paper, not being stamped according to law, shall be deemed invalid and of no effect," so as to read:

SEC. 12. That any person or persons who shall register, issue, sell, or transfer, or who shall cause to be issued, registered, sold, or transferred, any instrument, document, or paper of any kind or description whatsoever mentioned in Schedule A of this act, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$50, or by imprisonment not exceeding six months, or both, in the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 23, line 14, to change the number of the section from "14" to "13," and in line 17, after the word "recorded," to strike out "or admitted, or used as evidence in any court," so as to make the section read:

SEC. 13. That hereafter no instrument, paper, or document required by law to be stamped, which has been signed or issued without being duly stamped, or with a deficient stamp, nor any copy thereof, shall be recorded until a legal stamp or stamps, denoting the amount of tax, shall have been affixed thereto, as prescribed by law: *Provided*, That any bond, debenture, certificate of stock, or certificate of indebtedness issued in any foreign country shall pay the same tax as is required by law on similar instruments when issued, sold, or transferred in the United States; and the party to whom the same is issued, or by whom it is sold or transferred, shall, before selling or transferring the same, affix thereon the stamp or stamps indicating the tax required.

The amendment was agreed to.

The next amendment was, on page 24, line 3, to change the number of the section from "15" to "14," and in line 7, after



the word "law," to strike out "and the record, registry, or transfer of any such instruments upon which the proper stamp or stamps aforesaid shall not have been affixed and canceled as aforesaid shall not be used in evidence," so as to make the section read:

Sec. 14. That it shall not be lawful to record or register any instrument, paper, or document required by law to be stamped unless a stamp or stamps of the proper amount shall have been affixed and canceled in the manner prescribed by law.

The amendment was agreed to.

The next amendment was, on page 24, line 11, to change the number of the section from "16" to "15."

The amendment was agreed to.

The next amendment was, on page 24, line 19, to change the number of the section from "17" to "16," and, on page 25, line 6, after "\$10,000," to insert "mutual ditch or irrigating companies," so as to make the section read:

Sec. 16. That all bonds, debentures, or certificates of indebtedness issued by the officers of the United States Government, or by the officers of any State, county, town, municipal corporation, or other corporation exercising the taxing power, shall be, and hereby are, exempt from the stamp taxes required by this act: *Provided*, That it is the intent hereby to exempt from the stamp taxes imposed by this act such State, county, town, or other municipal corporations in the exercise only of functions strictly belonging to them in their ordinary governmental, taxing, or municipal capacity: *Provided further*, That stock and bonds issued by cooperative building and loan associations whose capital stock does not exceed \$10,000, mutual ditch or irrigating companies, and building and loan associations or companies that make loans only to their shareholders, shall be exempt from the tax herein provided.

Mr. SMOOT. I ask that that go over for to-night.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 25, after line 9, to insert as a new section the following:

Sec. 17. That all the provisions of this act relating to dies, stamps, adhesive stamps, and stamp taxes shall extend to and include (except where manifestly inapplicable) all the articles or objects enumerated in Schedule B, subject to stamp taxes, and apply to the provisions in relation thereto.

The amendment was agreed to.

The next amendment was, on page 25, after line 14, to insert as a new section the following:

Sec. 18. That 30 days after the approval of this act any person, firm, company, or corporation that shall make, prepare, and sell, or remove for consumption or sale, drugs, medicines, preparations, compositions, articles, or things, including perfumery and cosmetics, upon which a tax is imposed by this act, as provided for in Schedule B, without affixing thereto an adhesive stamp or label denoting the tax before mentioned shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$500, or be imprisoned not more than six months, or both, at the discretion of the court: *Provided*, That no stamp tax shall be imposed upon any uncompounded medicinal drug or chemical, nor upon any medicine sold to or for the use of any person which may be mixed or compounded for said person according to the written recipe or prescription of any practicing physician or surgeon, or which may be put up or compounded for said person by a druggist or pharmacist selling at retail only. The stamp taxes provided for in Schedule B of this act shall apply to all medicinal articles compounded by any formula, published or unpublished, which are put up in style or manner similar to that of patent, trade-mark, or proprietary medicine in general, or which are advertised on the package or otherwise as remedies or specifics for any ailment, or as having any special claim to merit, or to any peculiar advantage in mode of preparation, quality, use, or effect.

Mr. SMOOT. That applies to the same matter as the amendment on page 13, and I ask that it go over.

The VICE PRESIDENT. The amendment will be passed over.

Mr. SMOOT. I also ask that sections 19, 20, 21, and 22, being committee amendments, go over.

The VICE PRESIDENT. The amendments will be passed over.

Mr. SMOOT. That will bring us down to page 30.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 30, line 1, to change the number of the section from "18" to "23"; in line 2, after the word "prepared," to insert "and distributed"; and in line 17, after the words "levied in," to strike out "Schedule A" and insert "Schedules A and B," so as to make the section read:

Sec. 23. That the Commissioner of Internal Revenue shall cause to be prepared and distributed for the payment of the taxes prescribed in this act suitable stamps denoting the tax on the document, article, or thing to which the same may be affixed, and he is authorized to prescribe such method for the cancellation of said stamps, as substitute for or in addition to the method provided in this act, as he may deem expedient. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to procure any of the stamps provided for in this act by contract whenever such stamps can not be speedily prepared by the Bureau of Engraving and Printing; but this authority shall expire on the 1st day of November, 1915, except as to imprinted stamps furnished under contract, authorized by the Commissioner of Internal Revenue. That the adhesive stamps used in the payment of the tax levied in Schedules A and B of this act shall be furnished for sale by the several collectors of internal revenue, who shall sell and deliver them at their face value to all persons applying for

the same, except officers or employees of the Internal Revenue Service: *Provided*, That such collectors may sell and deliver such stamps in quantities of not less than \$100 of face value, with a discount of 1 per cent, except as otherwise provided in this act.

The amendment was agreed to.

The next amendment was, under the head of "Schedule A," subhead "Stamp taxes," on page 31, line 3, after the word "issued," to strike out "after the 1st day of November, A. D. 1914," and insert "30 days after the approval of this act," so as to read:

Bonds, debentures, or certificates of indebtedness issued 30 days after the approval of this act by any association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents, and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents, and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each \$100 of face value or fraction thereof, 2 cents.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I ask that that part of the bill beginning in line 19 on page 32 go over. There is no amendment to that anyhow.

The VICE PRESIDENT. That is all House text.

Mr. SIMMONS. It is the House text.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 35, line 1, after the word "within," to strike out "the first 15 days of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations transmitted over their respective lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall pay a tax of 1 cent" and insert "30 days after the expiration of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations originated at each of their respective exchanges, toll stations, or offices, and transmitted thence over their lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall collect from the sender of the message or the originator of the conversation a tax of 1 cent in addition to the regular charges for the message or conversation, which tax the said person, firm, or corporation shall in turn pay to the said collector of internal revenue of their respective districts," so as to make the clause read:

Telegraph and telephone messages: It shall be the duty of every person, firm, or corporation owning or operating any telegraph or telephone line or lines to make within 30 days after the expiration of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations originated at each of their respective exchanges, toll stations, or offices, and transmitted thence over their lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall collect from the sender of the message or the originator of the conversation a tax of 1 cent in addition to the regular charges for the message or conversation, which tax the said person, firm, or corporation shall in turn pay to the said collector of internal revenue of their respective districts: *Provided*, That only one payment of said tax shall be required, notwithstanding the lines of one or more persons, firms, or corporations shall be used for the transmission of each of said message or conversations: *Provided further*, That the messages or dispatches of the officers and employees of any telegraph or telephone company concerning the affairs and service of the company, and like messages or dispatches of the officials and employees of railroad companies sent over the wires on their respective railroads shall be exempt from this requirement: *And provided further*, That messages of officers and employees of the Government on official business shall be exempt from the taxes herein imposed upon telegraphic and telephonic messages.

Mr. STERLING. I ask that that amendment go over for to-night.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 37, line 16, after the word "value," to insert "of the interest conveyed."

Mr. STERLING. I should like to have that go over also.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 37, line 18, after the word "cents," to insert:

*Provided*, That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

Mr. SMOOT. That ought to go over if the preceding amendment goes over.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 38, after line 4, to strike out:

Insurance (life): Policy of insurance, or other instrument, by whatever name the same shall be called, whereby any insurance shall hereafter be made upon any life or lives, for each \$100 or fractional part thereof, 8 cents on the amount insured: *Provided*, That on all policies for life insurance only issued on the industrial or weekly-payment plan of insurance the tax shall be 40 per cent of the amount of the first weekly premium. And it shall be the duty of each person, firm, or corporation issuing such policies to make, within the first 15 days of every month, a sworn statement to the collector of internal revenue in each of their respective districts of the total amount of first weekly premiums received on such policies issued by the said person, firm, or corporation during the preceding month, and upon the total amount so received the said person, firm, or corporation shall pay the said tax of 40 per cent: *Provided further*, That the provisions of this section shall not apply to any fraternal, beneficiary society, or order, or farmers' purely local cooperative company or association, or employees' relief associations operated on the lodge system or local cooperation plan, organized and conducted solely by the members thereof for the exclusive benefit of its members and for profit.

The amendment was agreed to.

The next amendment was, on page 39, line 10, after the word "thereof," to insert "*Provided*, That whenever a policy is canceled or returned or a premium is returned or refunded, in whole or in part, the tax upon such unearned returned or refunded premium or part thereof shall be repaid pro rata to the person, association, or corporation paying the same. Statements verified by some officer of the company or companies availing themselves of this provision shall be made and filed with the collector of the proper district every 30 days setting forth the items upon which such refund is to be made;" and in line 23, after the word "*Provided*," to insert "*And provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph," so as to make the clause read:

Insurance (marine, inland, fire): Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That whenever a policy is canceled or returned or a premium is returned or refunded, in whole or in part, the tax upon such unearned returned or refunded premium or part thereof shall be repaid pro rata to the person, association, or corporation paying the same. Statements verified by some officer of the company or companies availing themselves of this provision shall be made and filed with the collector of the proper district every 30 days setting forth the items upon which such refund is to be made: *Provided further*, That purely cooperative or mutual fire insurance companies carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided: *And provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

Mr. SMOOT. I ask that the amendment be passed over.

Mr. SIMMONS. The one with reference to marine insurance?

Mr. SMOOT. Yes. There is one provision in that amendment to which I desire to call attention.

Mr. SIMMONS. Very well.

The VICE PRESIDENT. The amendment will be passed over.

Mr. WILLIAMS. Mr. President, the committee's amendment proposing to strike out the language beginning in line 5, on page 38, including all the balance on that page, and going down to the end of line 2, on page 39, was adopted, was it not?

The VICE PRESIDENT. Yes.

The SECRETARY. On page 40, line 1—

Mr. SIMMONS. I ask that all of that amendment, down to line 19, may go over.

Mr. POMERENE. Mr. President, if I may make a suggestion for the consideration of the committee, some of the Ohio insurance people were here to-day, and they suggested, in view of the fact that the committee has seen fit to exempt life insurance, marine insurance, and so forth—

Mr. LEWIS. That is the very thing it is going over for.

Mr. SIMMONS. The bill does not exempt marine insurance. It exempts life insurance.

Mr. POMERENE. Well, in view of the fact that it exempts life insurance, that it should also exempt accident and health insurance.

Mr. SIMMONS. Our exemption does.

I ask that the paragraph with reference to "Insurance, casualty, fidelity, and guaranty," on page 40, running down to line 19, may go over.

The VICE PRESIDENT. It will be passed over.

Mr. PENROSE. Mr. President, if I may be permitted at this time to give a notice, I desire to say that if it will suit the

arrangements of the chairman of the committee I should like to address the Senate briefly upon the pending bill to-morrow morning, upon the reassembling of the Senate at 11 o'clock.

Mr. SIMMONS. I will say to the Senator that there was an agreement this evening that immediately upon the convening of the Senate to-morrow we would take up the conference report on the Alaskan coal bill. I suppose, though, the author of that bill would have no objection to the Senator going on and finishing his speech before the conference report be taken up.

Mr. PENROSE. I will leave the notice, then, to be printed on the calendar, and I will see the Senator having the bill in charge.

Mr. MYERS. Mr. President, would the Senator from Pennsylvania care to begin his remarks this evening?

Mr. PENROSE. No; I am not prepared to do so now. I have just returned to Washington. I should like to have a very short time to-morrow morning.

Mr. MYERS. I will ask the Senator about how long his remarks will take.

Mr. PENROSE. I certainly do not think they will take more than half an hour; perhaps only 20 minutes.

Mr. MYERS. I shall not object to that. I am very anxious to have the conference report disposed of, but I shall not object to that.

Mr. PENROSE. I will explain to the Senator that I have to leave town in the afternoon to keep an engagement in Pennsylvania; otherwise I should not ask to address the Senate at that particular time.

Mr. MYERS. I shall not oppose it.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The next amendment was, on page 40, after line 19, to strike out:

Mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid, being payable; also any conveyance of any lands, estate, or property, whatsoever in trust to be sold or otherwise converted into money which shall be intended only as security, either by express stipulation or otherwise: on any of the foregoing exceeding \$1,000 and not exceeding \$1,500, 25 cents; and on each \$500 or fractional part thereof in excess of \$1,500, 25 cents: *Provided*, That upon each and every assignment or transfer of a mortgage or policy of insurance, or the renewal or continuance of any agreement or contract, a stamp duty shall be required and paid at the same rate as that imposed on the original instrument.

The amendment was agreed to.

The SECRETARY. On page 41, line 11, after the words "passage ticket"—

Mr. SMOOT. I ask that that amendment may be passed over.

The VICE PRESIDENT. The amendment, including the proviso, will be passed over.

The next amendment was, on page 42, line 12, after the words "sleeping car," to strike out "2 cents" and insert "1 cent," so as to make the clause read:

Every seat sold in a palace or parlor car and every berth sold in a sleeping car, 1 cent, to be paid by the company selling the same.

The amendment was agreed to.

The SECRETARY. On page 42, after line 13, it is proposed to insert "Schedule B."

Mr. SMOOT. I ask that that may be passed over.

Mr. SIMMONS. I suppose the Senator from Utah would like to have that go over.

The SECRETARY. All down to and including line 19, on page 46, is passed over.

Mr. SMOOT. That is correct.

The next amendment was, on page 46, line 20, to change the number of the section from "19" to "24"; in line 23, after the words "this act," to insert "and every person, firm, company, corporation, or association liable to any tax imposed by this act, or for the collection thereof, shall keep such records and render, under oath, such statements and returns, and shall comply with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe, and every such person, firm, company, corporation, or association who evades or attempts to evade any of the taxes imposed by this act, or shall fail to truly account for and pay all taxes collected by them under this act, or any regulations issued thereunder, shall be subject to a penalty of double the amount of the taxes evaded or attempted to be evaded or unlawfully withheld, to be assessed and collected as other penalties incurred under internal-revenue laws are assessed and collected"; and on page 47, line 15, after the word "appropriated," to strike out "\$130,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated; \$100,000 to be added to and made a part of the



appropriations for 'salaries and expenses of collection of internal revenues, 1915; and \$30,000 to the appropriation for paper for internal-revenue stamps, 1915,' and insert "\$492,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated, to be immediately available; \$412,000 to be added to and made a part of the appropriation 'Salaries and expenses of collectors of internal revenue, 1915'; \$30,000 to the appropriation 'Paper for internal-revenue stamps, 1915'; \$40,000 to be available to pay for personal services in the office of the Commissioner of Internal Revenue, to be designated as additional to the appropriation 'Salaries, office of Commissioner of Internal Revenue, 1915'; and \$10,000 to the appropriation 'Contingent expenses, Treasury Department, stationery, 1915'; *Provided*, That the appropriation, 'Salaries and expenses of agents and subordinate officers of internal revenue, 1915,' be, and hereby is, made available to pay the salaries of stamp agents and counters, whose employment may be necessary on account of the imprinting of stamps, the same to be reimbursed by the stamp contractors and added to the appropriation from which originally paid," so as to make the clause read:

SEC. 24. That all administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this act, and every person, firm, company, corporation, or association liable to any tax imposed by this act, or for the collection thereof, shall keep such records and render, under oath, such statements and returns, and shall comply with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe; and every such person, firm, company, corporation, or association who evades or attempts to evade any of the taxes imposed by this act, or shall fail to truly account for and pay all taxes collected by them under this act, or any regulations issued thereunder, shall be subject to a penalty of double the amount of the taxes evaded or attempted to be evaded or unlawfully withheld, to be assessed and collected as other penalties incurred under internal-revenue laws are assessed and collected; and for the expense connected with the assessment and collection of the taxes provided by this act there is hereby appropriated \$492,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated, to be immediately available; \$412,000 to be added to and made a part of the appropriation "Salaries and expenses of collectors of internal revenue, 1915"; \$30,000 to the appropriation "Paper for internal-revenue stamps, 1915"; \$40,000 to be available to pay for personal services in the office of the Commissioner of Internal Revenue, to be designated as additional to the appropriation "Salaries, office of Commissioner of Internal Revenue, 1915"; and \$10,000 to the appropriation "Contingent expenses, Treasury Department, stationery, 1915"; *Provided*, That the appropriation, "Salaries and expenses of agents and subordinate officers of internal revenue, 1915," be, and hereby is, made available to pay the salaries of stamp agents and counters, whose employment may be necessary on account of the imprinting of stamps, the same to be reimbursed by the stamp contractors and added to the appropriation from which originally paid.

Mr. SMOOT. I should like to ask the Senator having the bill in charge, as these are all estimates, whether it would not be a good idea to follow the rule of the Appropriations Committee and insert after each one of them "or so much thereof as may be necessary"?

Mr. SIMMONS. I have no objection to that. I think that is in the bill after the lump sum.

Mr. SMOOT. I speak of the direct appropriations.

Mr. SIMMONS. I have no objection to that.

The VICE PRESIDENT. It does so read now.

Mr. SIMMONS. That is, as to the lump sum.

Mr. SMOOT. It does as to the lump sum, Mr. President.

The VICE PRESIDENT. The amendments to the amendment will be stated.

The SECRETARY. It is proposed to add, after "\$412,000" on page 47, line 24, "or so much thereof as may be necessary."

The amendment to the amendment was agreed to.

The SECRETARY. On page 48, line 1, after "\$30,000," it is proposed to insert "or so much thereof as may be necessary."

The amendment to the amendment was agreed to.

The SECRETARY. In line 3, page 48, after "\$40,000," it is proposed to insert the same words.

The amendment to the amendment was agreed to.

The SECRETARY. In line 7, page 48, after "\$10,000," it is proposed to insert the same words.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 48, line 17, to change the number of the section from "20" to "25"; in line 18, after the word "effect," to strike out "on the day next succeeding the date of its passage" and insert "30 days after its approval," and in line 22, after the word "under," to strike out "Schedule A," so as to make the section read:

SEC. 25. That the provisions of this act shall take effect 30 days after its approval, except where otherwise expressly provided: *Provided*, That on the day after the 31st day of December, 1915, the taxes levied under this act shall no longer be levied and collected, but all taxes arising or accruing before said date shall continue to be collectible under the terms of this act. All stamps provided for in this act unused after the aforesaid date shall be redeemed from the holder thereof, under such rules as the Secretary of the Treasury may prescribe.

Mr. SMOOT. In that connection I desire to ask the Senator if he thinks it is possible for the Bureau of Engraving and Printing to get out all the stamps necessary within 30 days after the passage of the act. I know the enormity of the work, and I wondered whether it could be possibly accomplished.

Mr. SIMMONS. The Senator is right about that. My advice is that the department expected this bill to pass and has been printing the stamps for some time.

Mr. SMOOT. The engraving of them is already under way, then?

Mr. SIMMONS. Yes.

Mr. SMOOT. I was quite positive that it could not be done in 30 days if it were not under way.

Mr. SIMMONS. It could not; and it has been under way in anticipation of the passage of the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. With the exception of the paragraphs passed over, that completes the reading of the bill.

Mr. SIMMONS. I wish to give notice that I shall ask for an evening session to-morrow.

Mr. SMOOT. I sincerely hope it will be granted.

#### CALIFORNIA MILITARY RESERVATIONS.

Mr. HITCHCOCK. I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 188) ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

Mr. SMOOT. I think the joint resolution ought to be passed.

Mr. HITCHCOCK. At present there is a divided jurisdiction between the United States and the State of California in the fairgrounds, and for criminal prosecution it is an embarrassment. This joint resolution, which has been approved by and, in fact, is requested by the War Department, cedes temporarily, during the exposition, to the State of California criminal jurisdiction over these grounds.

Mr. WILLIAMS. Temporarily?

Mr. HITCHCOCK. Temporarily.

I ask for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Whereas the Secretary of War was authorized by H. J. Res. S. of February 16, 1912, to grant to the Panama-Pacific International Exposition Co. permission to occupy and utilize such portions of the Presidio of San Francisco and Fort Mason Military Reservations for exposition purposes as he might designate; and  
Whereas the Secretary of War, under the authority in him vested by the said joint resolution, did by an instrument dated April 22, 1912, grant permission to the said company to occupy and utilize for the said purposes certain portions of the said military reservations, and did by an instrument dated April 10, 1914, grant a like permission to the said company as to certain other portions of the said Presidio Military Reservation; and  
Whereas the United States now has exclusive jurisdiction over the said military reservations; and  
Whereas it is desirable that the power to preserve order in all of the said portions of said reservations during their occupancy by the said Panama-Pacific International Exposition Co. be vested in the authorities of the State of California: Therefore be it

*Resolved, etc.*, That the United States hereby cedes to the State of California such jurisdiction over the said portions of the said military reservations as the said State now possesses elsewhere within its territory, such cession to be coextensive territorially with the said permits of April 22, 1912, and April 10, 1914, and to terminate upon their expiration: *Provided*, That jurisdiction to try and punish all crimes committed within said portions of said military reservations prior to the date that this cession becomes effective is reserved to the United States: *Provided further*, That the cession of jurisdiction made by this resolution shall not take effect until the same is accepted by the legislature of the State of California: *And provided further*, That when the United States shall resume possession of the said lands or any part thereof, the jurisdiction herein ceded over lands so repossessed shall revert in the United States.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

#### EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

#### RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow forenoon at 11 o'clock.

The motion was agreed to; and (at 6 o'clock p. m., Tuesday, October, 13, 1914) the Senate took a recess until to-morrow, Wednesday, October 14, 1914, at 11 o'clock p. m.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate October 13 (legislative day of October 8), 1914.*

##### UNITED STATES ATTORNEY.

George W. Anderson to be United States attorney, district of Massachusetts.

##### POSTMASTERS.

###### FLORIDA.

William C. McLean, Orlando.

###### GEORGIA.

William M. Howard, Barnesville.

###### MISSISSIPPI.

Willie Magee, Bude.

###### NEW YORK.

William H. Hennessey, Skaneateles.

James W. Kelly, Long Island City.

Harry E. Savage, Dexter.

Willard H. Tappan, Baldwinsville.

#### REJECTION.

*Executive nomination rejected by the Senate October 13 (legislative day of October 8), 1914.*

Marjorie J. Bloom to be postmaster at Devils Lake, N. Dak.

### HOUSE OF REPRESENTATIVES.

TUESDAY, October 13, 1914.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou Great Spirit, God over all, our Creator and our Father, in whom there is no variableness, neither shadow of turning, so move, we pray Thee, upon the hearts of Thy children that they may subject their wills to Thine, that pure and undefiled religion may reign supreme in every heart, in every home, in every land throughout the earth; and unto Thee, the God of love, be glory and praise forever. In the name and spirit of the Christ. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The motion was agreed to.

##### CHANGE OF REFERENCE.

Mr. BULKLEY. Mr. Speaker, Senate bill 6398 has been referred to the Union Calendar. I think it should be on the House Calendar, and I ask unanimous consent that that change of reference be made.

The SPEAKER. Does it call for an appropriation?

Mr. BULKLEY. No; it is to amend the Aldrich-Vreeland Act.

Mr. STAFFORD. Does it put any burden on the Treasury?

Mr. BULKLEY. No; it provides for a greater amount of commercial paper to be available as security for emergency currency.

Mr. STAFFORD. Does not that put a tax on the Treasury?

Mr. BULKLEY. No; the expenses are all paid by the banks.

The SPEAKER. The Chair will investigate it. The Chair does not wish to have it changed now without investigation, for it might have to put it back again.

##### NORMAN E. IVES.

Mr. LLOYD. Mr. Speaker, I present a privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House resolution 535 (H. Rept. 1188).

*Resolved*, That there shall be paid out of the contingent fund of the House \$1,200 to Norman E. Ives, for extra and expert services rendered to the Committee on Invalid Pensions during the first and second sessions of the Sixty-third Congress, as assistant clerk to said committee, by detail from the Bureau of Pensions, pursuant to law.

Mr. LLOYD. Mr. Speaker, this is about the usual amount that has been paid to this expert detailed from the Pension Bureau. There never has been any fixed amount for the services.

Mr. STAFFORD. Will the gentleman yield?

Mr. LLOYD. Yes.

Mr. STAFFORD. Has it been the uniform practice for Congress to vote an allowance to this clerk assigned to the Invalid Pensions Committee from the Pension Department?

Mr. LLOYD. Yes; it has for a number of years.

Mr. STAFFORD. Can the gentleman inform us how much the maximum amount is that has been paid?

Mr. LLOYD. In the Sixty-second Congress he was paid \$2,400 for the entire Congress. In the Sixty-first Congress he was paid \$2,400.

Mr. STAFFORD. That is for the Congress or the session?

Mr. LLOYD. For the first and second sessions.

The resolution was considered and agreed to.

##### WILLIAM M'KINLEY COBB.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House resolution 483 (H. Rept. 1189).

*Resolved*, That there shall be paid out of the contingent fund of the House \$1,200 to William McKinley Cobb, for extra and expert services rendered to the Committee on Pensions during the first and second sessions of the Sixty-third Congress as assistant clerk to said committee by detail from the Bureau of Pensions, pursuant to law.

Mr. LLOYD. Mr. Speaker, this is a similar authorization and a similar amount to the man detailed from the Pension Bureau to the Committee on Pensions.

Mr. STAFFORD. Will the gentleman yield?

Mr. LLOYD. Yes.

Mr. STAFFORD. Do I understand that the same rule has been applied to the Committee on Pensions as applied to the Committee on Invalid Pensions?

Mr. LLOYD. Yes; except that the expert detailed to the Committee on Pensions has not received quite so much as the one detailed to the Invalid Pension Committee. This places them on the same basis. As far as the work performed during the last two sessions is concerned, they have apparently done the same service and are entitled to the same pay. Their services have been very valuable.

Mr. STAFFORD. Will the gentleman yield?

Mr. LLOYD. Yes.

Mr. STAFFORD. What has been the maximum amount paid the expert to the Committee on Pensions?

Mr. LLOYD. In the Sixty-second Congress he was paid \$1,750. In the Sixty-first Congress he was paid \$1,750.

Mr. CRISP. Mr. Speaker, I want to say to the gentleman from Wisconsin that I served on the Committee on Pensions, and I have personal knowledge that Mr. Cobb has worked nearly every day and Sundays writing up the records; and I am sure that the members of the Committee on Pensions, irrespective of party, will say that he has earned this amount for faithful and efficient service. The committee has acted on a great many more bills than any other Committee on Pensions.

Mr. STAFFORD. I can see that with the work of the Committee on Invalid Pensions becoming less by reason of the passage of the service-pension law and the work of the Committee on Pensions becoming more by reason of the increase of age of Spanish-American War veterans that they should be put on a parity.

Mr. CRISP. He has had to write up every case before the committee acted upon it.

Mr. STAFFORD. I am very glad to have the testimony of the gentleman from Georgia.

Mr. HUMPHREY of Washington. Mr. Speaker, do I understand that this is an increase of salary?

Mr. LLOYD. No.

The SPEAKER. The question is on the resolution.

The question was taken, and the resolution was agreed to.

##### JENNIE MERCER.

Mr. LLOYD. Mr. Speaker, I also offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 582 (H. Rept. 1187).

*Resolved*, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Jennie Mercer, widow of Philip Mercer, late messenger to the Committee on Pensions of the House, an amount equal to six months of his compensation as such messenger, and an additional amount, not exceeding \$250, to defray the funeral expenses of said Philip Mercer.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 12161. An act to remove the charge of desertion against John Mitchell; and



H. R. 13296. An act for the enlargement, etc., of the Wall Street front of the assay office in the city of New York.

EXTENSION OF REMARKS IN THE RECORD.

Mr. RAKER. Mr. Speaker, I desire to submit a request for unanimous consent. I ask unanimous consent that I may extend my remarks in the Record upon the subject of the forest-reserve policy.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the Record on the conservation policy. Is there objection?

Mr. RAKER. Mr. Speaker, at the same time I ask unanimous consent that I may extend my remarks upon the question of woman suffrage, and that I may print in the Record a telegram from Dr. Anna Howard Shaw.

Mr. BARNHART. Mr. Speaker, I object to the telegram part of it.

Mr. STAFFORD. Mr. Speaker, one request a day is considerable for any Member to make. I object.

The SPEAKER. Is there objection to the gentleman's first request to extend his remarks in the Record upon the subject of conservation? [After a pause.] The Chair hears none. Is there objection to the request of the gentleman to extend his remarks upon the subject of woman suffrage?

Mr. STAFFORD. Mr. Speaker, I think the gentleman should prefer that request to-morrow or some other day.

The SPEAKER. The gentleman from Wisconsin objects.

WILLIAM C. ADAMS.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent to take up House joint resolution 362, discharge the Committee on Indian Affairs from further consideration of the same, and consider it at this time.

The SPEAKER. The gentleman from Texas asks unanimous consent to take up House joint resolution 362, discharge the Committee on Indian Affairs from further consideration of it, and consider it at this time. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914.

*Resolved, etc.,* That the Secretary of the Interior be, and he hereby is, authorized and directed to substitute the name of William C. Adams in place of Mitchell C. Adams, jr., in the list of Mississippi Choctaw Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, which Indians so enumerated in said document were authorized to be enrolled on the respective rolls of the Five Civilized Tribes by section 17, paragraph 9, of the act entitled "An act making appropriations for the current and contingent expenses for the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915," approved August 1, 1914.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand this is merely to correct a typographical error in the spelling of the name of a person who was to receive allotment of Indian lands.

Mr. STEPHENS of Texas. That is true. The name should have been William, and it is Mitchell.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote by which the resolution was passed was laid on the table.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the special rule the House will resolve itself automatically into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those islands, and the gentleman from Indiana [Mr. ADAIR] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, the Philippine bill, with Mr. ADAIR in the chair.

The Clerk reported the bill by title.

Mr. STAFFORD. Mr. Chairman, I understand that section 21 is still open to amendment.

The CHAIRMAN. Yes.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. My purpose is to direct the attention of the chair-

man of the committee to an apparent hiatus that was created in the preceding section in the amendment that was adopted to it in providing that the term of the first Commissioner shall expire on March 4, 1921. If the gentleman will follow the mathematical feature of it, he will find that under the phraseology in the present paragraph it provides that the successor is to take his office from the 4th of March following the election, that phraseology being found in lines 6 and 7, on page 17. The election will be held in June, 1921. It is provided here that the term of the Commissioner is to expire on March 4, 1921. There will be no Resident Commissioner from March 4, 1921, until March 4, 1922, when the successor takes his office. There is a hiatus that must be corrected, otherwise there will be no Commissioner representing the Philippine Islands here at Washington.

Mr. JONES. Mr. Chairman, I am very glad the gentleman has called my attention to that. This was a consequential amendment, which was adopted rather hastily, and it may be open to the objection suggested by the gentleman from Wisconsin. Therefore I am going to ask unanimous consent that we may return to this section later for the purpose of perfecting the language to which the gentleman from Wisconsin has called attention.

Mr. STAFFORD. That is entirely satisfactory.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that this section may be returned to later for the purpose of perfecting the language referred to. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, I would like to ask a question of the gentleman from Virginia, and therefore I want to direct his attention to section 18, page 13, to a verbal change, which looks to me important. Beginning in line 20, after the word "proceedings," we find the following language:

Both houses shall convene at the capital on the 16th day of October following the next election—

And so forth.

Ought not the words "the next" be stricken out? If they are to convene on the 16th of October following the next election, that would indicate the election next after they were to convene, which, of course, would be entirely improper. If the word "next" is to be retained, should it not read—

On the 16th day of October next following the election?

Has not that been transposed there in such a way as to spoil the meaning of it?

Mr. JONES. Mr. Chairman, I have not had an opportunity to examine this question, and I am going to make the same request in respect to this section that I made as to the other, so that we may take them up and consider the two matters together.

Mr. GARRETT of Tennessee. Mr. Chairman, I have no objection to the request, but before the gentleman does that this thought occurs to me: A subsequent section provides that the Philippine Legislature may itself fix the date of its meeting after this first meeting, and the thought is that this would simply provide for the first meeting of the legislature, and that then thereafter they would take care of it themselves.

Mr. MILLER. The gentleman will observe this paragraph is not devoted at all to the first session of the legislature, but is a general paragraph prescribing generally when the legislature is going to meet after the general election. The paragraph which is concerned with the first legislature is section 16.

The CHAIRMAN. Will the gentleman from Virginia state his request again?

Mr. JONES. My request, Mr. Chairman, was that I ask unanimous consent to return to section 18 for the purpose of perfecting certain language in that section.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to return to section 18 for the purpose of perfecting certain language in the section. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, that request, I believe, passes this section over for further consideration as to that particular matter?

The CHAIRMAN. Yes; as to that particular matter.

Mr. TOWNER. Mr. Chairman, I desire to offer the following amendment. I move to strike out from line 23, page 17, all after the word "appoint," and on line 24, running down and including the word "senate." In other words, I move to strike out the words "by and with the consent of the Philippine Senate."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 17, lines 23 and 24, by striking out the words "by and with the consent of the Philippine Senate."

Mr. TOWNER. Mr. Chairman, this section refers to the powers of the Governor General of the Philippine Islands. It provides that all appointments that he shall make must be confirmed by the Philippine Senate. In my judgment that is an exceedingly unwise requirement. The number of officers will be large that the Governor General will be required to appoint. They will be exceedingly diversified in character, from those of the greatest importance, analogous to our Cabinet appointments, down to the lowest type of officers who may represent the central government in the Philippines. If it shall be required that every one of those officers shall be approved by the senate who are appointed by the Governor General, it will make large batches of them sent to the senate for approval and confirmation. Consideration will be impossible, and it will be impossible, I will say to the committee, that those appointments can be made when they are needed. Unless you provide that there shall be a continuous session of the senate those appointments can not be made. Of course, it is desired that there shall not be long and continuous sessions of the legislature. It is not desired that the legislature shall be continuously in session as the Congress of the United States is almost continuously in session, and to make these appointments dependent upon the confirmation of the senate is, in my judgment, seriously to impede the effective operation of governmental affairs in the Philippines.

Not only is that true, Mr. Chairman, but I desire to suggest to the committee this further reason why I think these appointments ought not to be made: The division, that we all approve, of governmental power into the executive and into the legislative departments comes much closer to the people in the States and in the Territories than in the National Government. While of course the appointments of the President are, many of them, subject to confirmation of the Senate, we will find that in the States and, I think very rarely, in the Territories is the executive power to appoint limited by the necessity of confirmation by the senate. It is a proposition that we all ought carefully to consider by which we make the exercise of legislative power dependent upon executive approval—nay, I will not say dependent upon executive approval, but really controlled by executive power.

Mr. GOULDEN. Will the gentleman yield?

Mr. TOWNER. In just a moment; if the gentleman will pardon me, I want to finish this. Neither is it a good thing to make the exercise of executive power, administrative purely in its features, dependent upon the approval of the legislative department of the Government, and I submit that just as soon as you enter upon a course of that kind, and especially in a country like the Philippines, you submit at once an issue of the most serious character between the executive and the legislative departments of the Government. You raise questions where the legislative authority says to the executive administrative authority, "Come to our conception of what laws ought to be passed or we will not confirm the appointment which you make."

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Mr. Chairman, I will ask for five minutes more.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TOWNER. You say to the executive power of the government, "You can make no appointments that do not suit us," and you at once curb him; you force upon him consideration not of fitness primarily, but whether or not a person whom he desires to appoint will or will not be acceptable to the legislative department of the government. And so, in my judgment, it is unwise to put this extremely delicate and embarrassing situation and condition in the body of this very fundamental charter of government. Now I will be glad to yield to the gentleman from New York if he desires to submit a question.

Mr. GOULDEN. I beg the gentleman's pardon. I wanted to ask him whether he did not think the language on page 18 would cover the matter of appointments while the legislature was not in session, namely, "but appointments made while the senate is not in session shall be effective either until disapproval or until the next adjournment of the senate," just the same as we do here and as is done in all the States. I understand the gentleman's objection to lie on the ground of the length of time the Senate of the Philippine Islands shall be in session, and that the interim would prevent proper appointments being confirmed. As amended this bill, if enacted into law, does not limit the sessions of the legislature in the Philippines.

Mr. TOWNER. No; I will say to the gentleman that is not all of the objection. My objection goes much deeper than that.

Mr. GOULDEN. That is one of the objections?

Mr. TOWNER. Yes; that is one of the objections; but let me say to the gentleman it is true that ad interim appointments, which are only perhaps for a year or more, will go to the senate in great batches for the consideration of the senate.

Mr. GOULDEN. Just as they do here.

Mr. TOWNER. Oh, I think there are not very many of them, comparatively.

Mr. GOULDEN. Quite a number, I should judge.

Mr. TOWNER. I think it will be impossible to secure from the senate such consideration of the merits of these appointments as I think they ought to have; and I will say further that I think the gentleman is quite right, and if my amendment shall be adopted subsequent language in the section would have to be changed. I would be very glad indeed to have the privilege of offering to change the subsequent language if my amendment is adopted.

Mr. QUEZON. Mr. Chairman, I am earnestly opposed to the amendment offered by the gentleman from Iowa [Mr. TOWNER].

In my general discussion of the pending bill I have already touched upon the question he raises, so that I need now merely call the attention of the committee to two new points.

It seems to me, first of all, that the amendment of the gentleman from Iowa is not in accord with the theory upon which this bill is framed. The bill is supposedly enacted for the purpose of giving the people of the Philippine Islands a sufficient opportunity to demonstrate their capacity for self-government to such an extent as is possible without placing the international relations of the United States in jeopardy. Much as the two sides of this House may disagree with regard to Philippine independence, in principle there has not been much difference on that score in so far as I have been able to perceive from the remarks that have been made during the debate. Such being the case, the amendment of the gentleman from Iowa ought to be voted down, because it is subversive of the very purpose of the bill. By granting the people of the Philippines legislative powers alone you fail to give them all the opportunities whereby their political capacity might be tested. To legislate is doubtless an important, perhaps the most important, function of a government, but the administration of law is also an essential part of the governmental process. Unless the Filipino people be permitted to show what they can do in the administration of their laws, such evidence as they may furnish through their legislative acts regarding their capacity for self-government will be challenged as insufficient. By requiring that the appointments of the Governor General be confirmed by the senate you give the Filipino people an opportunity to show their judgment regarding the proper administration of their laws.

It would be an inconsistent position to give the Filipino people the power to legislate for themselves, thereby assuming that they will legislate for their own interests and in that of their government, while on the other hand denying them the right to confirm executive appointments on the assumption, as suggested by the amendment of the gentleman from Iowa, that they will use that power for selfish or partisan purposes rather than with a view to the exigencies of the public service. If elected senators can not be trusted with the power of confirming appointments made by the Governor General—if they be expected to use that power unpatriotically—an elected Filipino legislature should not be established at all. Legislative powers are greater, more far-reaching, than the power to confirm appointments, and the injury to the community in case of abuse of legislative power is by far greater than the evils arising from an unwise exercise of the power of confirming appointments. If the Philippine Senate be not permitted to say who may not occupy the positions created by the Philippine Legislature, the latter body should have neither the power to create these positions nor to abolish them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Mr. Chairman, I ask unanimous consent that the gentleman from the Philippines may be allowed to conclude his remarks.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from the Philippines may be allowed to conclude his remarks. Is there objection?

There was no objection.

Mr. QUEZON. I wish to thank the gentleman from Iowa [Mr. TOWNER], Mr. Chairman.

Mr. Chairman, the worst feature of the amendment proposed by the gentleman from Iowa is that it will assuredly prevent the harmonious development of the government which you are planning to establish in the Philippine Islands. The Filipinos do not differ from other people. They are the same flesh and bone and spirit, and they will act exactly as other people would act under the same circumstances and for the same reason. The history of the world teaches us that whenever governmental



powers are not voluntarily granted to a people, and whenever such power can be obtained through some other means the people will not fail to take it. If you deny the Filipino people the power to say who may not hold office under the Philippine Government, if they can find some other means under this act whereby they will be able, indirectly at least, to make their voice effective on the matter now at issue they will do so. They may seek to do either of these two things: They may try either to influence the Governor General to appoint officials whose appointment they desire, or, if the Governor General refuse to accede to their wish, they may antagonize and obstruct his administration, openly defying the Governor General by abolishing such positions as are occupied by officials objectionable to them through the withholding of appropriations. Thus you create at once a cause of trouble between the Governor General and the legislature, a condition which would not exist were the amendment of the gentleman from Iowa to be defeated. I do not care to deny that Filipino senators might at times refuse to confirm an appointment. Such a thing has happened in this country, and if report be credited such an instance has recently occurred even here. The result there, however, would ordinarily be just what it has been here—the senate would confirm the appointments of the Governor General, as a matter of course, and the readiness of the senate to confirm these appointments would depend, as it does here, upon the wisdom of the appointments and the personal influence of the Governor General. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MILLER. Mr. Chairman, I have naturally talked with as many people familiar with the Philippine Islands, the government and the people there, and the probable effect of this bill as I could conveniently reach, as, of course, other members of the committee have done. I have yet to find a single man among all those with whom I have talked—and some of them have been hopeful that good would result from this bill—I have not found a single man who did not say that the provision contained in this bill would be absolutely fatal.

The gentleman from the Philippines [Mr. QUEZON] has made a most interesting and valuable talk. I have enjoyed every word that he has said. But, Mr. Chairman, if you will apply his remarks in favor of the amendment, you will find that they have ten times the weight and effect that they have when applied in opposition thereto.

Now, let us just disabuse our minds of one thing, necessary and somewhat difficult for us to do; it is that we should not decide this question by reason of considerations here at home. We have an entirely different situation in the United States.

The President of the United States submits his executive appointments to the confirmation of the United States Senate. But the power back of both the Executive and the Senate is the same. It comes from one people; it comes from one body—the citizenship of the United States. In the Philippines under this bill—and it is the bill we have before us upon which we are to decide—there are two political entities, each deriving its power from a different source. There is the power of the Filipino people, and it is the purpose of this bill to a considerable extent, and certainly the purpose of the Members on this side of the aisle to a large extent, to give to the people of the Philippine Islands the fullest possible opportunity to govern themselves, reserving only the check and the balance which every intelligent mind must know should exist and which the Filipinos themselves know must exist. We have reserved the check only in one way. We have reserved it in the Executive. The power of the Executive and the authority for his action comes not from the people of the Philippine Islands, but from the people of the United States, and if you, by the terms of this act, paralyze his hands, you have stricken down the safeguard that you recognize must be there, because you attempted to put it in the bill.

Now, it seems to me only reasonable for us to consider whether, if the appointees of the Governor General must be confirmed by the Philippine Senate, his hands will be paralyzed. We are not to consider this amendment in the light of conditions that may exist 10 or 20 or 50 years from now, but we should consider it in the light of conditions that are in the islands to-day. The importance of this amendment will be much lessened as the years go by, until I can see that a time shall come when very likely the amendment may not be necessary. I can conceive of a condition as being reached—and I think it will be reached—when the Filipino Senate might be entrusted with the power of confirming the big majority of the appointments of the Governor General. But to give the Filipino Senate to-day the authority to say that no man appointed by the executive to do the executive work in the islands shall

exercise the functions of his office without their approval, by that act you paralyze the executive. There is no other language so adequately describing it.

Now let us just consider it a little bit. There are not a myriad of appointments which the Governor General will have to make, and at first I want that fact distinctly understood. Has my time expired, Mr. Chairman?

The CHAIRMAN. It has.

Mr. MILLER. I would like five minutes more.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. MILLER. The great majority of the employees in the Philippine Islands are under civil service, and I think it can be safely said that the civil service in the islands has been developed and perfected to a point where it is even superior to that in the United States. There will be no confirmation needed in respect to all civil-service employees. Confirmations will be required only respecting the heads of departments and their assistants, practically.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from New York?

Mr. MILLER. Certainly.

Mr. GOULDEN. About how many appointments of the Governor General will be affected by this amendment, should it be adopted?

Mr. MILLER. I am sorry I can not tell the gentleman.

Mr. GOULDEN. Would it be a score of prominent officials?

Mr. MILLER. Oh, yes; I suppose there would be two or three score.

Mr. GOULDEN. One more question. Has not this measure as it appears in this section received the approval of the present Governor General, in whom we all have implicit confidence and who is highly respected by the people of this country generally?

Mr. MILLER. I do not know whether it has or not; but I will say to the gentleman that that would not enhance its value in my eyes.

Mr. FESS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Ohio?

Mr. MILLER. Yes.

Mr. FESS. In reference to the number of appointments, it would include all those now made by the commission and also those contained in the act and also those who may hereafter be authorized by law to be appointed. It is an unlimited number—entirely indeterminate.

Mr. MILLER. That is true. There would be a considerable number, but not a myriad, not a great crowd of them, but men absolutely essential to the conduct of the administration of the law in the islands.

Now, suppose the Governor General nominates a man for secretary of the interior, or for attorney general, or for director of public instruction, or director of prisons, or director of police, or director of health and sanitation, or any of these purely executive offices that are so essential to the conduct of the government in the islands, and confirmation is refused. You give here the greatest opportunity in the world for a conflict between the two powers you have in the islands. You invite it; you ask for it. In effect you tell the Filipino Senate that it must confirm these appointments. The Filipino naturally has in mind some trading. Very well, we will confirm the appointments, the Filipinos will say, provided you will permit the passage of such and such legislation. So, therefore, you either absolutely paralyze the executive or you make him subservient to the legislative branch. It is a condition entirely different from that which we have in the United States.

It seems to me that we should avoid that friction—avoid this opportunity for contention. I know the gentleman from the Philippine Islands has suggested that the amendment will lead to friction, but I submit that without the amendment friction is bound to result and with the amendment friction will be avoided.

By the terms of this act you actually hold out to the Filipino mind an inducement to demand reprisals, an inducement to make trades with the executive. So, if it be your purpose and your plan to give to the people of the islands the fullest possible autonomy, only reserving a check, you have failed unless you write this amendment in the bill. I believe sincerely that this amendment is the most important thing to the entire bill under consideration.

Mr. BORLAND. Will the gentleman yield?

Mr. MILLER. I will yield to the gentleman from Missouri.

Mr. BORLAND. Would the gentleman strike out all power of confirmation of appointments by the Governor General?

Mr. MILLER. I would for the present.

Mr. BORLAND. That is the amendment?

Mr. MILLER. That is the amendment.

Mr. BORLAND. Does not the gentleman fear that that would destroy any possible cooperation between the executive officers in the senate?

Mr. MILLER. On the contrary, it would conduce toward it. I can not conceive of the Governor General making any appointments under this act in violation of the wishes of the people of the islands. The legislative branch has always the whip handle and power. It can abolish an office; it can restrict appropriations. We have given to the people of the islands, through their legislature, almost complete and entire authority over their own affairs.

Mr. BORLAND. Will the gentleman yield again?

Mr. MILLER. I will.

Mr. BORLAND. That being true, suppose the Governor General should appoint some of these members of his official family who did not enjoy the confidence of the Filipino Legislature; what would be the inevitable result?

Mr. MILLER. I can conceive that there might be some man appointed by the Governor General who would not be entirely liked by the members of the senate; but he ought to have that power to appoint, and leave it to his judgment and discretion to make good appointments.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. STAFFORD. Mr. Chairman, I regret that I am obliged to take a contrary stand to that of the Philippine Commissioner. I do not think we ought to be swayed too much in our consideration of this question from its adoption in this country. We all know that it was the fear of the founders of our Government that the Executive might become too powerful, and to put some curb on his authority the framers required that certain Executive appointments and others, as Congress might provide, should be submitted to the Senate for confirmation. I am not certain, but I believe there will be confirmation on the other side of the Chamber as to whether there would not have been better appointments made by the President of the United States without the bartering that sometimes was entered into between our Executive and certain Members of another body than if he were free-handed to appoint those whom he saw fit to appoint.

I can recall instances where appointments have been refused confirmation where it was the unanimous opinion of the people that the first appointments were superior to the later ones, but because of petty political spite they were rejected.

What are the conditions confronting us here? The burden of the argument of the Commissioner is that this power should be vested in the senate, so that it may be held over the Governor General as a club to get officers that will be favorable to the Filipino people. That might be all right from the politician's standpoint.

Mr. QUEZON. Oh, I hope the gentleman will not misquote me. I never said that.

Mr. STAFFORD. The gentleman did not make the direct statement, but the effect of the gentleman's argument is that it would avoid friction between the senate and the Governor General. His further argument is that the senators should have some say in the appointments made by the Governor General. For what purpose should they have that say? Read the history of this country and apply it to the Philippines, and we know with only a bare knowledge of conditions in the Philippines that politics are as rife and that political parties as determined for success as they are in this country; we know that they are going to seek patronage from the Governor General.

I believe that it is better for the Philippine Government to have absolute separation between the executive and the legislative branches; that we should vest in the legislature complete authority over legislative matters and give to the Governor General a free hand so that he can not barter with the senators nor the senators barter with him as to veto power that he has to apply to legislation that will be submitted to him. Can there be imagined, as was indicated by the gentleman from Minnesota [Mr. MILLER], that the Governor General, whom the President of the United States appoints, subject to removal by the President at any time, will appoint a man to a subordinate position that will not be in harmony with the existing sentiment of the people of the Philippine Islands or will be giving to the government an execution of the administrative branch that will not be satisfactory to the people of those islands?

Mr. QUEZON. Will the gentleman yield for an answer?

Mr. STAFFORD. Certainly.

Mr. QUEZON. It has been done.

Mr. STAFFORD. Where the administration has not been sufficient or satisfactory?

Mr. QUEZON. No; the Governor General has appointed men not satisfactory to the Filipino people.

Mr. STAFFORD. Oh, they might not have been satisfactory to some faction.

Mr. QUEZON. Oh, everybody.

Mr. STAFFORD. Or to some political party who wished to get the offices. We wish in inaugurating this more liberal policy to have it started so that there will be no such friction between the Governor General and the senate.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOPER. Mr. Chairman, I feel obliged to oppose the amendment of the gentleman from Iowa. Congress is to retain authority to amend this law at any time; and should there be serious trouble over there concerning appointments, Congress could take notice of it and change this requirement of confirmation by the Philippine Senate. But I agree with the gentleman from the Philippines [Mr. QUEZON]. By this bill we propose to give the Philippine Legislature power to make laws and, in my judgment, we ought not to give the Governor General, a man sent to the islands from this country, the absolute power, without regard to the wishes of the people there, to appoint whomsoever he may please to appoint to execute and interpret the laws. Our people would never consent that a President should have the unqualified right to make all appointments to Federal offices in this country without confirmation by the representatives of the people in the Senate of the United States. To understand the importance of this right of confirmation of appointments we need to refer only to the history of the present session of Congress.

Mr. FESS. Mr. Chairman, I shall vote for this amendment, and I can say why in three minutes. The executive in the Philippines is the only voice the United States has there. He is appointed by the President and confirmed by our Senate, and as such represents the United States authority, and while he is there his function is to enforce the law. The law which he is called upon to enforce is to be made by the legislature over there, which is not beholden to the United States. There are two functions here that are very distinct. One is the policy-determining function and the other is the administrative function. The policy-determining function there, as here, is in the legislative department, while the administrative function there, as here, is in the executive department. The first function expresses itself in lawmaking, the second in law enforcing. In this country it is true that we require the appointments of the President to be confirmed by the Senate, but the President is beholden to the people here, just the same as the Senate and the House are beholden to the people. In this country the authority is in the same place—the people—but in that country it is partly in the people of the islands and partly in the people of the United States, and I do not believe that if we have but one voice in the islands, namely, the voice of the Governor General, that in the exercise of his function of administration of the laws we should tie his hands by the legislature, which is not responsible to the people of this country at all. Therefore it seems to me that if the Governor General, who is our spokesman, charged with the enforcement of the law, is to be the administrative officer, and as such responsible to this country, his hands should not be tied by the legislative department over there, whose function is purely determining what the laws are to be. He must be free to perform his duty unhampered by an outside authority. It seems to me that it is extremely wise that this amendment be adopted to secure this freedom of performance of duty. We certainly can not use the United States history, as the gentleman from Wisconsin [Mr. COOPER] has used it, in confirmation of what we do over there. The situation is entirely different. One is a government in which the people in their entirety are ruling, and the other is a government in which the people of the islands determine the legislature and the laws of the islands and this country determines the executive and the enforcement of the laws. For that reason we ought to keep the hands of the man who represents the voice of this country totally free from any interference over there. I shall vote for the amendment.

Mr. MOORE. Mr. Chairman, before the gentleman takes his seat, I would like to inquire whether this right of confirmation would apply to such appointees as the Governor might have around him in his immediate office, as, for instance, his private secretary.

Mr. QUEZON. Oh, no. I can answer that. That is under the civil service.



Mr. MOORE. The gentleman from Wisconsin indicated that it would apply to those having to do with the administration of the laws.

Mr. FESS. The language of the bill is:

Such officers as may now be appointed by the Governor General, or such as he is authorized by this act to appoint.

Mr. MOORE. Suppose he wanted to appoint a private secretary or a director, with whom he must have confidential relations; would that appointment have to go to the Philippine Legislature?

Mr. BRYAN. If it is a statutory office, it would.

Mr. FESS. If it is an office created under this act, it would, or an office to be created hereafter.

Mr. MOORE. If that is so, it would put the Governor General in this peculiar position, that the appointment of even those who are immediately responsible to him for the execution of his own orders would be subject to confirmation by the senate there. What I would like to know is, whether this provision goes that far.

Mr. QUEZON. The secretary of the Governor General will not be confirmed by the senate. He is a civil-service employee.

Mr. MILLER. Oh, the gentleman is mistaken. The gentleman will recall that the present Governor General, Mr. Harrison, took his secretary with him over there.

Mr. QUEZON. He was the executive secretary.

Mr. MILLER. He was to be his private secretary.

Mr. QUEZON. He did not appoint him as such.

Mr. MILLER. The Governor General also appoints, and would have to have the appointment confirmed by the senate, the assistant executive secretary, who is in confidential relations with the Governor General himself. The executive secretary and the assistant executive secretary have those confidential relations with the Governor General to which the gentleman from Pennsylvania refers, and their appointments would have to be confirmed by the senate.

Mr. MOORE. Mr. Chairman, I move to strike out the last word. The thought I have about this provision is this: If the Philippine Legislature under this section should exercise its power to the limit, it could prevent the Governor General from appointing anybody. It could estop him from taking with him a secretary or a clerk in whom he had confidence, such as it has just been indicated Gov. Gen. Harrison took with him; and if the question ever should arise between the Governor General and the Philippine Legislature as to the appointment of a confidential agent, I presume under this section the Philippine Legislature could always defeat the will of the Governor.

Mr. QUEZON. Will the gentleman permit?

Mr. MOORE. Yes.

Mr. QUEZON. I wish to say to the gentleman that the clerks of the Governor General are appointed under the civil-service laws and they are not appointed by the Governor General.

Mr. TOWNER. Will the gentleman yield?

Mr. MOORE. Yes.

Mr. TOWNER. I would like to ask the gentleman from the Philippines if it is the idea that if a position is in the civil service it would be relieved from the requirement of confirmation by the senate?

Mr. QUEZON. Yes.

Mr. TOWNER. Why does the gentleman have that idea?

Mr. QUEZON. Because the bill says so. It says that appointments made by the Governor General shall be confirmed by the senate; since civil-service employees are not appointed by the Governor General, their appointments do not have to be confirmed by the Senate.

Mr. TOWNER. I still do not understand the gentleman.

Mr. QUEZON. My understanding of the law is that the appointments made by the Governor General, which, according to the present laws in the Philippines, must be confirmed by the commission, should be confirmed by the senate.

Mr. TOWNER. The gentleman means those who now hold the offices.

Mr. QUEZON. Those who under our present laws are appointed without confirmation by the commission will not be subject to the confirmation of the senate.

Mr. TOWNER. The gentleman means those now holding these positions?

Mr. QUEZON. Yes.

Mr. TOWNER. But at any time when a change is made, would not these offices be necessarily subject to this provision of the law?

Mr. QUEZON. I do not believe so.

Mr. FESS. Will the gentleman yield there?

Mr. MOORE. I yield.

Mr. FESS. The gentleman's reference is "unless otherwise herein provided," page 17, line 23.

Mr. TOWNER. Does that exempt the Civil Service Commission?

Mr. FESS. This language says:

He shall, unless otherwise herein provided, appoint, by and with the consent of the Philippine Senate, such officers as may now be appointed by the Governor General.

Mr. QUEZON. The Governor General does not appoint any officer under the civil-service law. He only appoints the judges of the court of first instance, the chiefs and assistant chiefs of bureaus, the prosecuting attorneys, justices of the peace, and treasurers.

Mr. FESS. Could not a future legislature change that?

Mr. QUEZON. I suppose it could.

Mr. TOWNER. Let me suggest that as soon as this act goes into effect every one of the appointees of the governor will have to be appointed by the governor. Now, it makes no difference whether they are in or out of the civil service, they will have, under the terms of this bill, to be confirmed by the senate. This is merely an additional requirement in certain cases that they shall be within the civil service to qualify, but that does not take—

Mr. MOORE. Mr. Chairman, I observe my time is flying, although it has been very profitably employed. I simply wish to add that this section does suggest the possibility of a cabal in the senate which would bring about a deadlock at any time in the appointment of these officers. The law could be amended as indicated by the gentleman from Wisconsin even if we admit this amendment. Any time questions arise as between the governor and the Philippine Legislature and it should appear that we had erred in this instance, Congress could very readily pass an act that would cover it. The section, as it now stands, points to the government being brought to a deadlock whenever there is a difference between the governor and the senate.

Mr. MILLER. Will the gentleman yield for a question?

Mr. MOORE. I do.

Mr. MILLER. Does not the gentleman think the suggestion made by the gentleman from Wisconsin is very greatly lessened in value by reason of the fact that when we once confer upon a people or organization power that it is one of the hardest things on earth, no matter how much it may have been abused, to take away that power.

Mr. MOORE. I think the gentleman is confusing the gentlemen from Wisconsin to whom I referred. I referred to the gentleman from Wisconsin, Mr. COOPER.

Mr. MILLER. So did I.

Mr. MOORE. He indicated this law could be repealed at any time.

Mr. MILLER. I understand; but whenever you grant the power of confirmation to the senate in this act, no matter whether it is ill used, does not the gentleman appreciate how hard it would be to get an authorization of Congress to take away a power once granted?

Mr. MOORE. It would be undoubtedly a very difficult thing to do.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

Mr. STAFFORD. Mr. Chairman, there are several minor matters to which I wish to direct attention.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this amendment close in five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. Mr. Chairman, substantially every argument which has been made in favor of the amendment offered by the gentleman from Iowa [Mr. TOWNER] has been an indictment of our own system of government. The theory upon which this bill is drawn is to enlarge the power of the government of the Philippine people over their own domestic activities. The only restrictions that have been placed in this bill in order to safeguard it are restrictions that will protect the United States as long as it has sovereignty over the islands against legislation that might affect it in its foreign relations. If gentlemen will analyze the bill carefully, I think they will find that statement to be absolutely true. Wherever there has existed a possibility of the foreign relations of the Government of the United States being embarrassed by legislation in the Philippine Islands, full power

has been retained in this bill to the Government of the United States to prevent that legislation. In some cases we have gone so far as to require affirmative action on the part of the President of the United States before certain legislation that might have such a tendency shall become a law. But as regards their local affairs, legislative and administrative, it is the purpose of the committee to try to give the fullest measure of self-government consistent with sound principles, and upon that theory this bill has been drawn, and upon that theory, assuming that if we are to give to the legislative body the power to legislate, assuming that they have the intelligence requisite to legislate concerning their own local affairs, we have assumed that they would have the intelligence requisite to consider the appointments of the officials who are to administer the laws that they make. And in consonance with that theory and in line with our own constitutional provision, we have provided in here a participation by the Senate of the Philippine Islands in the matter of appointments. I very much hope that gentlemen will understand the theory upon which the bill is drawn, and that the amendment offered by the gentleman from Iowa [Mr. TOWNER] will not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of directing the attention of the committee to one or two minor provisions. I notice in the middle of page 18 a provision requiring the Governor General to submit within 10 days of the opening of each regular session of the legislature a budget of receipts and expenditures. Under the practice of our Government, as the gentleman knows, the various department heads are obliged to submit by October 15 of each year their estimate of appropriations and on the opening day of the Congress the Book of Estimates has to be submitted to the Congress. But the committees have tentative drafts of that Book of Estimates beforehand so that they can begin the work of preparing the appropriation bills. I would like to inquire as to the reason for deferring for 10 days the submission of this budget to the legislature. Why should not the Governor General be able to submit it on the very first day, so that the legislature can begin work in the preparation of its appropriation bills?

Mr. GARRETT of Tennessee. Does the gentleman refer to that part where it says that he shall submit it within 10 days?

Mr. STAFFORD. Yes.

Mr. GARRETT of Tennessee. The thought of the committee was that he should submit—

Mr. JONES. It is within the first 10 days of the opening of the legislature.

Mr. STAFFORD. Why not say at the opening of each regular session? The Governor General should be in a position to submit it, and should submit it, and not cause the legislature to wait 10 days before it can begin work on the preparation of its appropriation bills. Will the gentleman have any objection to reducing that to 5 days? Certainly a 10-day limitation seems very long.

Mr. GARRETT of Tennessee. The thought in connection with it is this, Mr. Chairman: This provides for a budget of receipts and expenditures. What we have in this country is merely an estimate, and that is not necessarily the basis by law for appropriations, but, as a matter of practice, perhaps it is in a sense a basis. Now, it is especially provided here, if this is passed, to put in the organic law that this budget shall be the basis for the annual appropriation bills. It might be very proper, I submit to the gentleman, that the Governor General should have some opportunity for consulting the members of the senate and of the house before being compelled to submit this annual budget which it is intended shall be absolutely the basis for appropriations. We hope to make some improvement there over our system in this country.

Mr. STAFFORD. I think there can be some improvement; but does not the gentleman believe that 10 days is quite a long time to hold up the legislature before it can begin work on appropriation bills?

Mr. GARRETT of Tennessee. I do not; especially in view of the amendment that has been adopted, which takes off the 90-day limit and provides for continuous sessions.

Mr. HELM. Will the gentleman from Wisconsin yield?

Mr. STAFFORD. I yield to my friend.

Mr. HELM. As I grasp this proposition, this budget is simply a presentation to the legislature of the receipts and the expenditures for the preceding fiscal year. It is simply to be used as a tentative basis for succeeding appropriations.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. STAFFORD] has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five minutes longer. I wish to direct another inquiry.

The CHAIRMAN (Mr. MORRISON). The gentleman from Wisconsin asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. STAFFORD. I wish to inquire of some member of the committee as to the reason why the word "supreme" is used in the first line of the section. It says "supreme executive." What is the reason for the qualification of the word "executive" in that particular?

Mr. JONES. It means the chief executive, and I certainly think there can be no objection to it.

Mr. STAFFORD. Is there any executive power lodged in any other official by this bill?

Mr. JONES. Yes; there is. The heads of the departments have a great deal of executive power, and there are four great departments of the Government. And the idea is that the highest power, the supreme power, shall be in the Governor General, and I think "supreme" is a very proper word.

Mr. FESS. Mr. Chairman, I move to strike out the last word, in order to ask the gentleman from Tennessee [Mr. GARRETT] a question.

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] moves to strike out the last word.

Mr. FESS. In lines 18 and 19 we have the Governor General's term of office unlimited.

Mr. GARRETT of Tennessee. On what page?

Mr. FESS. On page 17. The provision is "He shall be appointed by the President, by and with the advice and consent of the Senate of the United States, and hold his office at the pleasure of the President." I want to ask whether you had considered fully the idea of limiting the Governor General's term, and had decided to make it unlimited?

Mr. GARRETT of Tennessee. I think it is better to make it as it is in the bill, for this reason: Administrations change in this country, and I think it is always desirable to have in the Philippines a Governor General in sympathy with the foreign policies, at least, of the administration existing in this country. It is the present law, of course, as the gentleman knows.

Mr. FESS. Yes; I know.

Mr. GARRETT of Tennessee. And I do not think that under the conditions that exist and the involvements that might occur it would be wise to fix a definite term, so that it would be possible for a Governor General of the Philippines to be out of sympathy with the administration here so long as we retain sovereignty over the islands. Then, of course, if the gentleman will pardon me further, he being familiar with English history and knowing the struggle that England has had at various times in dealing with her colonial governors, the gentleman will realize that if a definite term were fixed for the Governor General of the Philippine Islands, no matter what his sins might be, there would be no way to remove him except by impeachment, unless this power were left with the President to remove him.

Mr. FESS. What I had in mind was that our theory was short terms and quick responsibility, and I also thought probably we would want to avoid the appearance of partisan administrations, and if we had the limit fixed the very thing that the gentleman from Tennessee has said would be advisable would be avoided as an ill-advised thing, in my judgment. It seems to me that the Philippine administration ought not to respond to partisan affiliations over here.

Mr. GARRETT of Tennessee. If the gentleman will pardon me, I did not mean in my statement that it ought to respond to the partisan situation in regard to domestic affairs in this country—

Mr. FESS. Only on foreign matters?

Mr. GARRETT of Tennessee. But I did think that the administration here ought to have the authority given in the bill.

Mr. FESS. I am rather of the opinion that the bill as it is would be better than to fix the term. I just wanted to know if that has been fully considered.

Mr. GARRETT of Tennessee. It has been fully considered, and we had that view of it.

Mr. FESS. Mr. Chairman, I withdraw my pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn.

Mr. MILLER. Mr. Chairman, I move to amend, on page 18, line 4, by striking out the remainder of the sentence and inserting in lieu thereof the words "until disapproved by the Philippine Senate," so that it will read as follows:

That appointments made while the senate is not in session shall be effective until disapproved by the Philippine Senate.



The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The Clerk read as follows:

Page 18, after the word "effective," in line 4, strike out the remainder of the sentence and insert in lieu thereof "until disapproved by the Philippine Senate."

Mr. MILLER. Mr. Chairman, I submit this for the consideration of the committee, and I do not care to discuss it to any great extent.

It seems to me it would give added strength to the situation. If you are going to require that appointments be confirmed by the Senate, it seems to me that the Senate ought to act upon them one way or the other, and the thing ought not to be allowed to drag on indefinitely, as is contemplated by this provision.

Mr. GARRETT of Tennessee. The only effect would be this: That it would prevent the necessity of recommissioning if the Senate should adjourn without approval. Under the practice that prevails in the United States, if what we call a recess appointment is made, if the Senate at the succeeding session does not approve it, of course that commission ends; but the President, of course, can immediately recommission.

Mr. MILLER. That was the exact point I desired to obviate.

Mr. GARRETT of Tennessee. The thought in the use of this language is that it will probably spur the Senate to take action by leaving it as it is here. I do not see that it makes any practical difference at all.

Mr. MILLER. Mr. Chairman, pending the consideration by the committee of that amendment, I would like to make an inquiry respecting another part of the same paragraph, all in my time.

On page 19, in line 4, where the Governor General is given power to suspend the writ of habeas corpus and establish martial law, I find this language:

And he may, in case of rebellion or invasion, or imminent danger thereof, when the public safety requires it, suspend the privileges of the writ of habeas corpus or place the islands, or any part thereof, under martial law—

And here is the language I particularly refer to—until communication can be had with the President and his decision therein made known.

Has the President of the United States the authority to suspend the writ of habeas corpus in the Philippine Islands? Has he the authority to declare the islands under martial law? Is this to let him veto the action of the Governor General or to approve it, or is this simply that the Governor General may have a consultation with the President? I would really like to be informed as to the effect of this language.

Mr. GARRETT of Tennessee. The Constitution of the United States gives the President of the United States the power to suspend the writ of habeas corpus. I have not the exact language before me, and I do not know whether I can find it in a moment.

Mr. FESS. It does not say "the President." It says "the writ of habeas corpus shall not be suspended," and so forth. It does not say by whom.

Mr. GARRETT of Tennessee. There may be some statute passed which gives the President that power.

Mr. FESS. President Jefferson did it, and President Lincoln did it, which would be a precedent to the effect that the President can do it.

Mr. GARRETT of Tennessee. The language is this:

The privilege of the writ of habeas corpus shall not be suspended unless when, in cases of invasion or rebellion, the public safety may require.

Mr. FESS. That is it.

Mr. GARRETT of Tennessee. I presume that in those cases in which it has been exercised by Presidents of the United States it has been thought that the public safety required it, and having been acquiesced in it has been conceded that as the supreme executive officer of the Government and as Commander in Chief of the Army the President had that authority.

Mr. FESS. Mr. Chairman, would the gentleman yield there?

The CHAIRMAN. The gentleman's time has expired.

Mr. GARRETT of Tennessee. I will ask for recognition, then, Mr. Chairman. Does the gentleman from Ohio want more time?

Mr. FESS. Yes.

Mr. QUEZON. One question only, Mr. Chairman.

Mr. GARRETT of Tennessee. One moment. I yield to the gentleman from Ohio [Mr. Fess].

Mr. FESS. In confirmation of what the gentleman said a moment ago I will say that President Jefferson suspended the writ of habeas corpus in the case of the arrest of Aaron Burr, in 1807. It was questioned at that time whether he had the authority under the Constitution. Many contended that this function was lodged in the Congress. Then, during the Civil

War President Lincoln suspended the writ of habeas corpus, and it was discussed in extenso. The Attorney General took the position that since the President was charged with the enforcement of the law the writ of habeas corpus was a necessary element in the enforcement of the law. But it has never reached the courts, as I understand, and it has never been in Congress for an affirmative decision.

Mr. GARRETT of Tennessee. Oh, I beg the gentleman's pardon. It has reached the courts.

Mr. FESS. At what time?

Mr. GARRETT of Tennessee. On the proposition there are a large number of decisions.

Mr. FESS. What I want to get at is, who has the authority, Congress or the President? That has not reached the courts, has it?

Mr. GARRETT of Tennessee. I would not undertake to say, except that what has been done has been sustained by the courts, and it having been acquiesced in, I should say it has been conceded. To follow that thought further, it being acquiesced in here that the President of the United States has the power to suspend the writ of habeas corpus over all the territory over which the sovereignty of the United States extends, this proposition contained in the bill is merely a direction as to how it may be done, giving to the Governor General first that power, but reserving in the supreme Executive the authority in this country to override it.

Mr. COOPER. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. COOPER. On page 4 in the bill of rights in this bill it expressly gives that right to either the President or the Governor General.

Mr. GARRETT of Tennessee. That is correct. I had overlooked it, and I thank the gentleman from Wisconsin for calling attention to it. This other provision is simply a detailed proposition in enforcing it.

Mr. COOPER. I will say that this is a most tremendous power to give to these two men, and it ought to be hedged about with every sort of a safeguard.

Mr. JONES. I will say to the gentleman that the object of this provision is to so hedge about the suspension of the writ of habeas corpus that it may not be suspended for a longer period than is necessary to enable the Governor General to communicate with the President of the United States.

Mr. MILLER. On that point may I make a further inquiry? It is true, as the gentleman from Wisconsin says, that the power to suspend the writ of habeas corpus is lodged in the Governor General and the President of the United States. They are coordinate in power and strength. Suppose the Governor General does suspend it and the President of the United States orders him to withdraw the suspension. Does the gentleman think there is any other way for the President of the United States to enforce his will other than to remove the Governor General?

Mr. JONES. That would be a very effective way of enforcing it, and it would be an entirely adequate one, I think.

Mr. MILLER. That leads me to inquire exactly what does that language mean? Is that intended that the President shall override the Governor General?

Mr. JONES. That is the meaning of the language which requires the Governor General to communicate with the President—that is, confer with the President. The Governor General would not suspend the writ except under very grave circumstances, and the bill proposes that when he does so, he shall confer with the President in regard to it. Should the President not approve the action of the Governor General in suspending the writ, that action would be immediately revoked, I take it.

Mr. MILLER. I think that is a splendid position for the bill to take. I think the President of the United States ought to have supervisory power over the Governor General, over those, as the gentleman from Wisconsin says, ulterior powers, but I do not believe it is given in this bill.

Mr. JONES. That is the purpose of this language, and I believe it fully accomplishes it.

Mr. MILLER. Would the gentleman be willing to reserve that particular point in this paragraph so that we may see if it would not be better to redraft this provision?

Mr. JONES. I have no objection to returning to this paragraph to consider this particular matter, but I do not believe there is any real necessity for it.

The CHAIRMAN. The question pending is the amendment of the gentleman from Minnesota.

Mr. MILLER. The amendment I offered was to strike out a part of the language in line 4, page 18, and substitute other language.

Mr. JONES. I thought the gentleman, following the colloquy with me, withdrew that, or stated to the gentleman from Tennessee that he would not offer it.

Mr. MILLER. Oh, no; I think it is a splendid amendment, and I hope it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. STAFFORD. Mr. Chairman, has the Chair submitted the unanimous request made by the chairman of the committee, the gentleman from Virginia, that this section be passed over as to the matter indicated?

The CHAIRMAN. It has not.

Mr. JONES. I thought it had been submitted and agreed to. I ask unanimous consent that this part of the paragraph may be passed over and returned to for the purpose of amendment, if it be thought necessary, of the language employed in lines 3 and 4 and 5, on page 19.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the paragraph in this section be now passed, and be returned to, if necessary, as to the language in lines 3, 4, and 5, page 19. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 22. That, except as provided otherwise in this act, the executive departments of the Philippine government shall continue as now authorized by law until otherwise provided by the Philippine Legislature. When the Philippine Legislature herein provided shall convene and organize, the Philippine Commission, as such, shall cease and determine and the members thereof, except the Governor General and heads of executive departments, shall vacate their offices as members of said commission. The Philippine Legislature may thereafter by appropriate legislation increase the number or abolish any of the executive departments, or make such changes in the names and duties thereof as it may see fit, and shall provide for the appointment and removal of the heads of the executive departments by the Governor General, and may provide that heads of executive departments shall have seats in either or both houses of the legislature, with the right of debating or voting or both: *Provided*, That all executive functions of the government must be directly under the Governor General or within one of the executive departments under the supervision and control of the Governor General. There shall be established by the Philippine Legislature a bureau, to be known as the bureau of non-Christian tribes, which said bureau shall be embraced in one of the executive departments to be designated by the Governor General, and shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 20, line 13, after the word "have," insert "executive control." Line 14, before the word "supervision," insert the word "administrative," so that the clause will read: "And shall have executive control and general administrative supervision over the public affairs."

Mr. TOWNER. Mr. Chairman, I of course could make a motion to strike out the entire provision for the Philippine Bureau, but owing to the fact that the matter has been passed on in substance I do not care to take up the time of the committee with it. I think, however, this amendment ought to be adopted, and I ask the committee's attention while I suggest the reason for it. The committee understands that the legislative power which is conferred in this bill over the territory and the non-Christian tribes is really placed within the Philippine Legislature. All legislative power is granted to the Philippine Legislature. It is, of course, intended by this provision, which constitutes a bureau to be known as the "Bureau of non-Christian tribes," that the executive power should be given to this bureau. The words used here are:

And shall have general supervision over the public affairs of the inhabitants—

And so forth.

I hardly think that language is sufficient to clearly indicate that what is intended is administrative and executive power. The provision as it will read if the amendment which I offer prevails is:

And shall have executive control and general administrative supervision over the public affairs of the inhabitants of the territory—

And so forth.

That will make the matter entirely clear. It will leave the legislative power with the legislature and will expressly state that the administrative power is to be exercised by the bureau which is created in this bill.

Mr. HUMPHREY of Washington. Mr. Chairman, on the 4th day of last July I had the very distinguished pleasure of listening to a speech by the President of the United States. Among other things in that speech, he used this language:

There are some gentlemen in Washington, for example, at this very moment who are showing themselves very patriotic in a way which does not attract wide attention, but seems to belong to mere everyday obligations. Those Members of the House and Senate who stay in hot Washington to maintain a quorum of the House and transact the all-

important business of the Nation are doing an act of patriotism. I honor them for it, and I am glad to stay there and stick by them until the work is done.

As I read these lines I think of the notice in the papers this morning that the different members of the Cabinet have their dates fixed now to go through the country to make political speeches, and I wonder how the President of the United States would characterize these gentlemen.

Mr. GARRETT of Tennessee. Mr. Chairman, I hope the gentleman from Washington will not press the talk along that line further at this time. It is not in order.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman withhold his point for just a moment, until I make a statement to him? I think that this question of adjournment—and that is what I am going to talk about—may not be in order, but it is something that everybody wants to hear about, and besides that fact, Mr. Chairman, we are all in a hurry to get through with this bill, and I think that to make a few remarks about adjournment right now would greatly facilitate the passage of the bill.

Mr. GARRETT of Tennessee. Mr. Chairman, withholding the point of order for a moment, the committee in preparing for the consideration of this bill expressly provided that the debate shall be limited to the bill. I have no objection to the gentleman talking about political matters. I have never objected to a political discussion on the floor of the House, and I have never objected to gentlemen extending their remarks upon political subjects in the Record, except when they sought it at an improper time. I do not think the gentleman ought to ask us to permit this to be injected at this time, and I make the point of order—

Mr. HUMPHREY of Washington. Mr. Chairman, before the gentleman does that, does not the gentleman recall that last Friday, without any objection from that side, one of the distinguished Members on that side, the gentleman from West Virginia [Mr. NEELY], was permitted to make a political speech and take up 15 minutes of time, and nobody objected on either side of the House? Does not the gentleman think—

Mr. GARRETT of Tennessee. That was not upon this bill.

Mr. HUMPHREY of Washington. Oh, I think so.

Mr. GARRETT of Tennessee. That was on a conference report and not upon this bill. There has not been a political speech made during the consideration of this bill. The gentleman from West Virginia spoke on a conference report and not on this bill. The gentleman from Washington knows my disposition. I want to be courteous to those in the House, but I hope he will not press this at this time. I make the point of order that the gentleman is not speaking in order.

Mr. HUMPHREY of Washington. And I make the point of order that there is no quorum present.

Mr. GARRETT of Tennessee. I supposed the gentleman would do that.

Mr. HUMPHREY of Washington. Certainly; and I will do it every time there is any objection. If the gentleman thinks he is going to make progress by permitting gentlemen on that side to make political speeches and not on this, he is mistaken.

Mr. GARRETT of Tennessee. I repeat again that there has been no political speech made on this side of the House during the consideration of this bill.

Mr. HUMPHREY of Washington. And I give the gentleman notice that there will be on this side unless they keep a quorum here.

The CHAIRMAN. Both gentlemen are out of order. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] Sixty-three Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Allen	Burke, Wis.	Fairchild	Gudger
Anderson	Calder	Falcon	Guernsey
Ansberry	Callaway	Fitzgerald	Hamill
Anthony	Campbell	Flood, Va.	Hamilton, Mich.
Aswell	Cantor	Fordney	Hamilton, N. Y.
Austin	Carr	Foster	Harris
Barchfeld	Carter	Fowler	Hinebaugh
Bartholdt	Cary	Francis	Houson
Bartlett	Chandler, N. Y.	French	Hoxworth
Bell, Cal.	Church	Gallagher	Hughes, W. Va.
Blackmon	Clancy	Gallivan	Hulings
Bowdle	Connolly, Iowa	George	Johnson, Utah
Britten	Conry	Gerry	Johnson, Wash.
Brockson	Copley	Gittins	John
Brown, N. Y.	Cox	Goldfogle	Keister
Brown, W. Va.	Dale	Gorman	Kelley, Mich.
Browning	Davenport	Graham, Ill.	Kelly, Pa.
Bruckner	Doelling	Graham, Pa.	Kennedy, R. I.
Brumbaugh	Doughton	Greene, Mass.	Kent
Bryan	Eagan	Greene, Vt.	Kinhead, N. J.
Buchanan, Ill.	Elder	Gregg	Kitchin
Burke, Pa.	Estopinal	Griffin	Knowland, J. R.



Konop	Mann	Reed	Talcott, N. Y.
Korbly	Mapes	Kelly, Conn.	Taylor, Ala.
Lafferty	Martin	Roberts, Nev.	Temple
Langley	Merritt	Sabath	Thacher
Lee, Ga.	Metz	Saunders	Townsend
Lee, Pa.	Mondell	Scully	Treadway
L'Engle	Morin	Soldonridge	Tuttle
Lenroot	Moss, W. Va.	Shackleford	Underwood
Leshor	Mott	Sherley	Vare
Lever	Murdock	Shreve	Walker
Levy	Neeley, Kans.	Slemp	Wallin
Lewis, Pa.	Nolan, J. I.	Small	Walsh
Lindbergh	Norton	Smith, Md.	Walters
Lindquist	O'Brien	Smith, Minn.	Watkins
Loft	Oglesby	Smith, N. Y.	Watson
McAndrews	O'Hair	Sparkman	Webb
McClellan	O'Shaunessy	Stanley	Whitacre
McGuire, Okla.	Paige, Mass.	Stedman	Willis
McKenzie	Palmer	Stephens, Cal.	Wilson, N. Y.
MacDonald	Patten, N. Y.	Stevens, Minn.	Winslow
Madden	Peters	Stevens, N. H.	Woodruff
Mahan	Platt	Stringer	Woods
Maher	Porter	Summers	
Manahan	Powers	Switzer	

The committee rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee had had under consideration the bill H. R. 18459, and finding itself without a quorum, under the rule he caused the roll to be called, whereupon 247 Members answered to their names—a quorum—and he presented the list of absentees to be entered upon the Journal.

The SPEAKER. The committee will resume its sitting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the Chairman announced the yeas seemed to have it.

Upon a division (demanded by Mr. TOWNER), there were—yeas 20, noes 58.

So the amendment was rejected.

Mr. MILLER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend by adding, after the word "representatives," in line 16, page 20, the following: "The head of said bureau, together with his office and field assistants, shall be appointed by the Governor General without the consent of the Philippine Senate."

Mr. MILLER. Mr. Chairman, habit plays a very large part in our lives. It determines most of the acts we perform from the time we open our eyes at morn until we close them at night. Habit is the greatest aid to humanity and all living organisms. Without it life would not be worth living, but now and then habit seems to play a peculiar prank and sometimes is antagonistic to good. I wish in this connection to call the attention of gentlemen on the other side of the aisle that they should not always let habit prevail. At times the mind should prevail; at times thought should be present; at times conscience should be heard; at times a practical consideration of the bill ought to be had. Now, the amendment just offered from this side by the gentleman from Iowa [Mr. TOWNER] was agreed to by the acting head on the other side of the aisle, the gentleman in charge of the bill, but the habit on that side prevailed and they voted it down. [Laughter.] Now, I do not know as we can accomplish any good by offering these wholesome amendments, which we do if habit is to continue. But I think, Mr. Chairman, that a good purpose should not be easily thwarted, and while I am a little bit discouraged, a confession I make with reluctance, still I have some determination remaining and I shall persevere for a little time longer. Now, Mr. Chairman, if the gentlemen on the other side of the aisle will kindly forsake habit and return to a conscious existence for a moment, I shall therefore and thereupon direct their attention to the amendment which I have proposed. I am not going to open up the discussion of the wild or non-Christian tribes again to-day, although I think it would be profitable.

I think it highly desirable as a matter of giving an opportunity for various views to be expressed, but I do want to say one or two things in this connection. I do not believe the majority members of the committee have been very happy in the solution they have arrived at respecting the non-Christian people, and we are going to reap the result of the lack of wisdom herein manifested quicker than in any other respect in the bill. At the same time I wish it to be stated that I appreciate the extreme difficulty confronting the membership of the committee in framing the bill in respect to this item, and it would not be surprising if some mistakes were made. I do believe we ought to have a full and free discussion of the government of the non-Christian people and see if we can not possibly reach a solution that will be more nearly right than any that has yet been proposed. In this connection I desire to call attention, Mr. Chairman, to the fact that habit is again running rampant

on that side and private conversation has drowned out my stenographic voice.

The CHAIRMAN. The committee will be in order.

Mr. MILLER. Mr. Chairman, the gentleman from Virginia [Mr. JONES] in his opening statement to the House felicitated the Government in the Philippines and the people of the United States upon the auspicious fact that the Moro Province had been pacified and civil government therein established without the aid of soldiers. That is perhaps not quite a correct statement to make of his position, as he hardly said it had been pacified without the aid of soldiers, but he conveyed the impression that the beneficial change which has recently occurred and that the pacification which now exists is there without the aid of soldiers. Now, I do think that his statement ought not to go unanswered. Why, the Moro country is full of soldiers. I myself went through the Moro country always with soldiers. When we crossed the little Island of Jolo—went nearly across it—we arrived there only two days after a battle, and there were 150 soldiers ahead and about 100 behind all the way over and back.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. May I have five minutes more?

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Will the gentleman permit a question?

Mr. MILLER. Certainly.

Mr. JONES. I understand that it was some time last year when the gentleman was in the Philippines?

Mr. MILLER. It was in the latter part of October.

Mr. JONES. That was before a civilian was made—

Mr. MILLER. The change was being made while I was there.

Mr. JONES. The gentleman does not mean to deny, I suppose, that a great many of the soldiers have been withdrawn from that Province since that time, and that there are not near so many, if any, there now as there were when he was in the islands?

Mr. MILLER. That leads to the statement I was just prepared to make. If the gentleman had stated that the troops of the United States—that is, the Caucasian troops of the United States—had been withdrawn from the Moro country, he would have stated it exactly right. They were withdrawn while I was there, but in their place were substituted other troops. There was sent a larger force of constabulary and several battalions of scouts, officered, of course, by Americans; so that while the Caucasian troops had been withdrawn from the Moro country, yet, as a matter of fact, there are just about as many troops there now as there ever have been, but they are native troops officered largely by Americans.

Mr. JONES. Mr. Chairman, the gentleman will admit that the constabulary are not United States troops? They are controlled by the civil government and paid by the Filipino people.

Mr. MILLER. I did not for a moment state that they were United States troops. I made the distinction very clear.

Mr. JONES. There was no other inference that could be drawn from the gentleman's words.

Mr. MILLER. I think if the gentleman will read my statement he will see that he misunderstood me.

Now, I can not help calling attention to the fact that by the arrangement of this bill, to my mind, we are going to repeat in the Philippine Islands the mistakes we have made in America in years past in dealing with the Indian tribes, only we are going to multiply those mistakes ten, or twenty, or even a hundredfold. We ought to have learned something from the experience that we have had. It is a sad enough chapter in our history. It is only within the past generation, in fact, that we have come to look upon the Indian question in the United States in what may be termed a sane and sensible light. We have altogether too far permitted in this country the whites who were in the vicinity of the places occupied by the Indians to prey upon them in one way or another. Now, you have a vastly more severe situation in the Philippines. There never was at any time within the confines of the United States more than 300,000 Indians. You have four times that number of non-Christian wild people in the Philippine Islands to-day, in a territory that comprises 120,000 square miles, smaller than some of the States of the Union. And the bill as framed will inevitably result in perpetuating in the islands conditions for which we blush in our own country.

Now, returning to the amendment which I offer, I do not care to discuss it at large. I understand there is a disposition on the other side of the aisle to vote down anything and everything that we propose along this line, whether it is meritorious or not. But I wish to say that this amendment provides that

the Governor General may appoint, without the consent of the Philippine Senate, such officials as he will desire to have charged with the responsibility of administering the affairs of the non-Christian people under this bureau.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I think the gentleman was very unjust to this side when he said there was a disposition to vote down everything proposed by the other side.

Mr. MILLER. I had reference to the confirmation feature.

Mr. JONES. I think the gentleman knows that this side has voted for a number of amendments proposed by his side, and I am perfectly free to say that I think some of those amendments improve the bill. It is true, Mr. Chairman, that there had been some informal agreement, such as the gentleman suggests, about an amendment which was defeated a few moments ago, but I think that side, and especially one gentleman from that side, my friend from the State of Washington [Mr. HUMPHREY], was responsible for that. He brought into this House, by raising the question of a quorum, one or two hundred Members who had not heard any part of this discussion and who knew nothing about the subject under discussion. It was not discussed after they came in, and therefore they had no knowledge of what was taking place.

Mr. MILLER. Does the gentleman wish to imply that the membership on his side usually votes without knowing anything about a proposition?

Mr. JONES. I will say to the gentleman that he knows perfectly well that is not true, and he also knows that a great many of the gentlemen who were brought in were members of the minority. They voted for the amendment because they saw the gentleman from Minnesota [Mr. MILLER] and the gentleman from Iowa [Mr. TOWNER] standing up, and without knowing anything about the proposition. Possibly members of the majority who had just entered the Chamber voted the other way for the same reason.

Mr. MILLER. I assumed, therefore, when the gentlemen on the other side of the aisle saw the gentleman from Virginia voting for the amendment they would follow their leader, but they did not even look.

Mr. JONES. Mr. Chairman, I now wish to direct my remarks for a moment to the merits of the amendment which the gentleman has offered. I do not agree with his conclusions. I think that this bureau, like all other bureaus in the Philippines, ought to be under the general supervision of the Governor General, and I can see no reason why its chief should be exempt from confirmation by the senate any more than the head of any other bureau.

Mr. MILLER. We have had some little badinage back and forth, but really and seriously, now, does the gentleman not think it would be very advisable to let the Governor General be charged, without restriction by the Philippine Senate, with the duties of administering the affairs of the non-Christian people?

Mr. JONES. Mr. Chairman, the gentleman was not listening a moment ago, when I said I did not think it would be wise to accept his amendment. I do not believe that there is any good reason, as I have just said, why the head of this bureau should be exempt from confirmation by the senate any more than the head of any other bureau. I have heard a great many statements coming from the other side of the Chamber to the effect that there was a great deal of feeling between the Filipinos and the Moros, and that the Moros would not be fairly treated by the Filipinos. I am perfectly familiar, and have been for a long time, with the evidence which gentlemen have brought forward in support of that proposition. I am familiar with the views of the gentleman from Minnesota on the subject. He delivered a long speech upon this subject soon after he returned from the Philippine Islands, and he then delivered personally to the Congress of the United States a message, if I am not mistaken, which he said a datto, with tears in his eyes, had requested him to deliver.

Mr. MILLER. The gentleman's recollection of that is a little bit confused. That message was not from a Moro, but from a Bukidnon.

Mr. JONES. Mr. Chairman, I think, notwithstanding what has been said upon this subject by gentlemen on the other side, that since all Filipinos are of Malay origin, and there is a kinship between them all, we can certainly intrust to the Christianized, civilized Filipinos the government of the wild, savage, un-Christian, and uncivilized people of the islands more safely than we can intrust it to any American.

Mr. MILLER. Will the gentleman yield for a question?

Mr. JONES. I do not know who the Governor General will appoint as the head of this bureau if opportunity is given to him—whether he will appoint an American or a Filipino. He

can appoint either an American or a Filipino, but whoever he shall appoint, his appointment should be subject to the confirmation of the Philippine Senate.

Mr. MILLER. Will the gentleman yield right there?

Mr. JONES. I will.

Mr. MILLER. Seriously, my amendment is in harmony with the provisions which I thought the gentleman from Virginia desired to have contained in the bill, inasmuch as in the provision relating to the senators and representatives appointed by the Governor General to represent these non-Christian people he specifically excepts those appointees from the necessity of confirmation by the Philippine Senate.

Now, in harmony with that, would the gentleman not say that the head or superintendent, or whatever you may wish to call the man in charge of this bureau, and his assistants, should also be appointed without confirmation by the senate?

Mr. JONES. I think, Mr. Chairman, we went as far as we ought to go when we permitted the Governor General to appoint these senators and representatives without confirmation.

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The question was taken, and the amendment was rejected.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 20, line 16, after the word "representatives," insert the following: "Provided, That the legislative sessions of the Philippine Legislature shall be limited to 120 days in each year."

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that that proposition has been passed upon fully in a previous section.

The CHAIRMAN. Does the gentleman from Washington wish to discuss the point of order?

Mr. HUMPHREY of Washington. Yes. My understanding is that the gentleman is mistaken as to the facts.

Mr. GARRETT of Tennessee. No. If the gentleman from Washington had been here, he would know that that is not so.

Mr. HUMPHREY of Washington. Gentlemen who have been here make a contrary statement about it.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Minnesota?

Mr. HUMPHREY of Washington. Yes.

Mr. MILLER. The provision we have passed limits each annual regular session to 90 days. The Governor General, however, is authorized thereafter to call as many extra sessions per year as he wants to.

Mr. GARRETT of Tennessee. My friend from Minnesota [Mr. MILLER] was here, and he ought to know that he is not justified in making that statement. We made the sessions unlimited, and—

Mr. JONES. We did that at the suggestion of the gentleman from Wisconsin [Mr. STAFFORD], so that it certainly has been passed upon.

Mr. MILLER. My attention must certainly have been diverted at the time by something else, if that is so. But, with all due deference to the gentleman from Wisconsin [Mr. STAFFORD], I think the committee ought not to have accepted that amendment.

Mr. MOORE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE. I make the point of order, Mr. Chairman, that these gentlemen are all proceeding out of order. Not one of them has addressed the Chair in the usual way.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order, first, that that subject matter has already been passed upon; and, second, that it is not germane to this section.

Mr. HUMPHREY of Washington. If the Chair will hear me a moment, I think it is germane to this section. I have not been here all the time so as to know whether it has been offered heretofore or not, but if there is a dispute as to the fact I do not think the amendment ought to be considered as out of order.

Mr. JONES. There is no dispute as to the fact.

Mr. GARRETT of Tennessee. The gentleman from Washington, I know, will not dispute the word of the gentleman from Wisconsin [Mr. STAFFORD]. If the gentleman from Washington will not stay here, then all he has to do is to read the Record in order to keep himself informed.

Mr. HUMPHREY of Washington. I do not profess to read all the Record. I ask unanimous consent, Mr. Chairman, that I be permitted to proceed for five minutes.



The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GARRETT of Tennessee. In order or on some other subject?

Mr. HUMPHREY of Washington. On some other subject.

Mr. GARRETT of Tennessee. Then I object.

Mr. HUMPHREY of Washington. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-two Members are present—not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Allen	Flood	Lafferty	Powers
Anderson	Fordney	Langham	Prouty
Ansberry	Foster	Langley	Reed
Anthony	Fowler	Lee, Ga.	Reilly, Conn.
Aswell	Francis	Lee, Pa.	Roberts, Mass.
Austin	Frear	L'Engle	Roberts, Nev.
Bartholdt	French	Lenroot	Rothermel
Bathrick	Gallagher	Leshner	Rouse
Bell, Cal.	Gallivan	Lever	Sabath
Blackmon	George	Levy	Scully
Bowdle	Gerry	Lewis, Pa.	Seldomridge
Britten	Gittins	Lindbergh	Sells
Brockson	Glass	Lindquist	Sherley
Broussard	Godwin, N. C.	Loft	Shreve
Brown, N. Y.	Goldfogle	McAndrews	Slomp
Brown, W. Va.	Gorman	McClellan	Small
Browning	Graham, Ill.	McGuire, Okla.	Smith, Md.
Bruckner	Graham, Pa.	McKenzie	Smith, Minn.
Buchanan, Ill.	Gregg	MacDonald	Smith, N. Y.
Burke, Pa.	Griffin	Madden	Sparkman
Burke, Wis.	Gudger	Mahan	Stanley
Byrnes, S. C.	Guernsey	Maher	Stephens, Cal.
Calder	Hamill	Manahan	Stevens, Minn.
Callaway	Hamilton, Mich.	Mann	Stevens, N. H.
Campbell	Hardwick	Mapes	Stout
Cantor	Harris	Martin	Stringer
Cantrill	Harrison	Merritt	Summers
Carlin	Hawley	Metz	Switzer
Carr	Hayes	Mondell	Taylor, Ala.
Cary	Helvering	Morin	Temple
Chandler, N. Y.	Hill	Moss, W. Va.	Ten Eyck
Church	Hinebaugh	Mott	Thacher
Clancy	Holson	Mulkey	Treadway
Collier	Holland	Murdock	Tuttle
Connelly, Kans.	Howard	Neeley, Kans.	Walker
Connelly, Iowa	Hoxworth	Neely, W. Va.	Wallin
Conry	Hughes, W. Va.	Nolan, J. I.	Walsh
Copley	Hullings	Norton	Walters
Dale	Johnson, Utah	O'Brien	Watkins
Davenport	Kelster	Oglesby	Watson
Dooling	Kelley, Mich.	O'Hair	Weaver
Doughton	Kelly, Pa.	O'Shaunessy	Webb
Eagan	Kennedy, R. I.	Paige, Mass.	Whitacre
Edwards	Kent	Palmer	Willis
Elder	Kinkaid, Nebr.	Patton, N. Y.	Wilson, N. Y.
Estopinal	Kinkaid, N. J.	Patton, Pa.	Winslow
Fairchild	Kitchin	Peters	Woodruff
Falson	Knowland, J. R.	Peterson	Woods
Ferris	Koosop	Platt	
Fitzgerald	Korbly	Porter	

The committee rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 18459, the Philippine Island bill, finding itself without a quorum, had caused the roll to be called, and 229 Members answered to their names, and he presented a list of the absentees.

The committee resumed its session.

The CHAIRMAN. The question pending was the point of order made by the gentleman from Tennessee to the amendment offered by the gentleman from Washington. The Chair sustains the point of order.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 20. Line 16, after the word "representatives," insert "provided the Philippine Legislature shall not pass any law permitting the legislature to remain in session during a period of 30 days next preceding a general election in the Philippine Islands."

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that that is not germane to this paragraph. A prior section of the bill fixes the right of the legislature to determine when it may meet, and a prior section of the bill also gives the full right of the legislature to determine when it shall adjourn. The amendment is not offered to the right place in the bill.

Mr. HUMPHREY of Washington. This amendment of mine does not provide when the legislature shall adjourn. It only says when it shall not be in session. It provides that the Philippine Legislature shall not pass a law permitting them to be in session 30 days preceding a general election. I think it is clearly in order.

Mr. GARRETT of Tennessee. Mr. Chairman, this section relates entirely to the executive department of the government.

The legislative part has already been passed. This amendment is not germane to this section of the bill.

Mr. HUMPHREY of Washington. The gentleman is mistaken about it, because this section provides in the first sentences that except provided otherwise in this act, the executive departments of the Philippine Government shall not continue as now authorized by law until otherwise provided by the Philippine Legislature, and then as to when the Philippine Legislature shall convene and organize. My amendment is to restrict the authority of the legislature to pass a law permitting the legislature to sit 30 days before general election.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that this amendment is not germane to this section, and therefore sustains the point of order.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 20, line 5, after the word "both," insert the following: "Provided, That no leave of absence shall be granted such heads of executive departments to enable them to deliver political addresses during the session of the legislature."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

Mr. HUMPHREY of Washington. Mr. Chairman, I want to be heard on that amendment. Mr. Chairman, a while ago I quoted what our distinguished President said about gentlemen remaining here performing their duties. He stated that they were patriotic, and I had just gotten to the point in my speech where I propounded the inquiry that it might be interesting to the country to know what the President thought about members of the Cabinet who are going to leave their duties and go forth to make political speeches. Some of them have already left. I wondered whether that was a patriotic performance. I have wondered what the President might think of the performance of some Members of this House. For instance, there was my distinguished friend from Texas [Mr. HENRY].

Mr. KAHN. Will the gentleman yield for a question?

Mr. HUMPHREY of Washington. Yes.

Mr. KAHN. Can the gentleman inform the House whether the Cabinet members are being docked for every day that they are absent?

Mr. HUMPHREY of Washington. I think it is perfectly safe to say that they are not. My distinguished friend from Texas [Mr. HENRY] was gone about three months, and I was wondering whether he was unpatriotic when he was in Texas and only patriotic when he was in the House. Then there is another distinguished gentleman [Mr. PALMER] who seems to be favored by the President, who was instrumental a few days ago, or perhaps some weeks ago, in conveying to the Judiciary Committee the fact that the President had kicked another plank out of the rotten Baltimore platform, the one in relation to only one term for President. That distinguished gentleman sometimes appears on the floor of this House.

Mr. MOORE. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. MOORE. The gentleman refers to the Democratic platform. Does the gentleman know that that document has not been incorporated in the Democratic Handbook which is now being circulated for Democratic orators?

Mr. HUMPHREY of Washington. No; that is like the section in reference to the high cost of living.

Mr. MOORE. Gone out.

Mr. HUMPHREY of Washington. Gone out. There were 15 pages in the Democratic campaign textbook two years ago about the high cost of living, but not a single word in it this time, and I wonder why. I supposed our Democratic friends would be anxious to show in the textbook how they had reduced the high cost of living, but I suppose they took it for granted because they did not say anything about it.

Mr. MOORE. Does not the gentleman know that that is all on account of the European war?

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that the gentleman from Washington is not addressing himself to the amendment or the subject matter of the bill.

Mr. HUMPHREY of Washington. Mr. Chairman, I think the gentleman from Tennessee is correct, and I will proceed in order.

Mr. MOORE. I withdraw my question about the European war, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from Washington has expired. The question is on the amendment offered by the gentleman from Washington.

The question was taken, and the amendment was rejected.

Mr. FESS. Mr. Chairman, I move to strike out the last word, to call attention to the language in lines 17 to 22, on page 19:

When the Philippine Legislature herein provided shall convene and organize, the Philippine Commission, as such, shall cease and determine and the members thereof, except the Governor General and heads of executive departments, shall vacate their offices as members of said commission.

I would like to call the attention of both sides of the Chamber to the result of this paragraph if it goes into effect. When we take the paragraph in connection with the preceding paragraph relative to the elective senate, we will notice it is the passing of the Philippine Commission, and probably it ought to pass. I rather think I would be in favor of an elective senate, which would necessitate a doing away with the commission, but since this is the paragraph in which the passing of the commission is noted, I just take the time to emphasize what I think has been a remarkable success by the commission form of government. I believe that when that first commission was appointed, at the head of which was President Schurman, of Cornell University, having associated with him some of the strong men of our country, that there never was a group of men sitting outside of the territorial limits of our country more devoted to the solution of a great problem than that commission, and I think what they did was really a remarkable achievement, and then when that commission gave way to the second commission, which gave a little more authority to the Filipino, a little more liberality, I think that the second commission did a work that we ought not to ignore, and I do not think anybody on either side of the Chamber desires to ignore it—a commission headed by a man who afterwards was President of the Nation, probably the best-fitted man in the country to take that position. It seems to me that the commission form of government that has had such a wide latitude in the last few years, applicable to the cities of our country, especially as witnessed in the Capital City, is a form that has not only been worked out in our own country but has shown remarkable fruits in that far-away country in the southern seas, and as we are now passing it over, and it is to become a mere matter of memory in history, I do not simply to say that I think the work of the commission in the Philippine Islands is such that this Nation ought to be proud of it. I want to say what I said the other day, that I do not believe there is another single instance in the history of all the world where there has been such remarkable work done for a far-away people by a great Republic, and done in such a disinterested manner, as was done in this instance. Whether the movement that you are considering is justifiable or not, it is of the present, and whatever shall be the future, I think that the past in regard to our action with the Filipino is something that we ought to be proud of, and I want to leave that word here as we pass this paragraph. [Applause.]

Mr. JONES. Mr. Chairman, I wish to say just a word in connection with what the gentleman from Ohio [Mr. Fess] has said. I can not assent to a great deal that he has said in respect to the Philippine Commission—indeed, I am obliged to dissent very earnestly from a great deal of it—but I do wish to indorse what he said in regard to Prof. Schurman, and I wish also to call the attention of the House to the fact that Prof. Schurman has gone on record in the most emphatic manner as to the capacity of the Filipino people for self-government. He has declared, as a result of his long acquaintance with the Filipinos during the time he was president of the commission, that they are fully capable of exercising the powers of self-government.

Mr. MILLER. Mr. Chairman, will the gentleman kindly inform the House how many years ago it was that President Schurman made that statement?

Mr. JONES. I will very gladly do so. It was years ago.

Mr. MILLER. Thirteen years ago?

Mr. JONES. Yes; probably so.

Mr. MILLER. If they were then fitted for self-government, why not give it to them now; why not give them independence at this time?

Mr. JONES. That was 13 years ago; and if, according to President Schurman, they were fit for self-government at that time, they certainly must be now, having had the valuable assistance which the gentleman from Ohio thinks was given them for so many years by the Philippine Commission.

Mr. MOORE. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. Is it an amendment to the amendment?

Mr. MOORE. I understand there is no amendment pending.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

Mr. FESS. Mr. Chairman, I ask unanimous consent to withdraw my pro forma amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Pennsylvania.

The Clerk read as follows:

Page 20, line 16, after the word "representatives," insert: "Provided, That heads of executive departments shall devote their entire time to their official duties during the terms for which they shall have been appointed."

Mr. MOORE. Mr. Chairman, we are told throughout this debate that we are taking the hand of our weaker brother in the Philippines and are endeavoring to put him on his feet. If we have any weaknesses in our Government, perhaps it is well if we should point them out to him, since we are undertaking to give him a form of government very much like our own. We ought to start out right, and if we have made any mistakes we ought to give our Philippines brother the advantage of our experience so that he may not stumble into the same pitfalls. A constant source of complaint in this country, if the newspaper reports are to be taken into consideration at all, arises from the fact that certain public officials do not devote their entire time to the offices to which they have been elected or appointed, and that they are in the habit, some of them, of leaving their official duties for the purpose of increasing their revenues. With a people not so strong as we are, who are going to establish a government for themselves under our tuition and direction, it would seem proper that we should say to them, "When you accept a public office, you ought to perform the duties of that office; and when you accept a great position under your Government, like unto that of a Member of Congress, or if you become a cabinet officer, along with your Governor General, or whoever in the course of time shall come to direct your affairs, then, rather than go out upon the stump delivering political lectures or going out into some Philippine Chautauqua for the purpose of making, say, \$250 per night, you should devote your entire time to the duties for which you were elected and for which the people make payment to you. This," we should say to them, "is your bounden duty not only in morals but under the oath of office which you take. We set this example before you and say to you, 'thus far shall you go and no farther.' We want you to learn that pure, old, simple Democratic doctrine of living within your income, and not living at so extravagant a rate that you can not subsist upon your salary, even though it be \$12,000 per annum."

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. MOORE. Yes.

Mr. HUMPHREY of Washington. Does the gentleman expect a Democrat to live on \$12,000?

Mr. MOORE. Not when he is in power. When a Democrat is out of power I expect him to live on most anything and charge up almost everything in the way of extravagance to the Republican Party. When a Democrat is in power I expect to see him roll along in automobiles or gilded chariots. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Virginia [Mr. JONES] or the gentleman from Tennessee [Mr. GARRETT] how many executive departments there will be if this bill becomes the law?

Mr. JONES. Four; just the number they have now.

Mr. COOPER. Mr. Chairman, I notice in lines 3, 4, and 5, page 20, that the heads of the executive departments are to have seats in either or both houses of the legislature, and with the right of debate or voting, or both. The President is to appoint or remove the heads of the executive departments.

Mr. JONES. No; not under this bill. Under this bill they are appointed by the Governor General.

Mr. COOPER. What did I say? I meant the Governor General. It is provided at the top of the same page that the Governor General is to appoint and remove the heads of executive departments. There is also on page 12 a provision that for the territory not now represented in the Philippine Assembly the Governor General shall appoint one senator and nine representatives.

Now, if there are only 12 members of the senate, and if the senator appointed by the Governor General to represent this territory is to have a vote and each of the 4 heads of the executive departments is to have a vote, then the Governor General would have 5 votes, practically—that is, his 5 appointees would—in an assembly of only 17. That is one-third of the vote.



Mr. JONES. I will say to the gentleman that the bill provides for 12 senatorial districts with 2 senators from each district. That will make 24 senators.

Mr. COOPER. Then his appointees would have but five of the votes in the senate.

Mr. JONES. Only two of his appointees under the provisions of this bill would have a vote in the senate. One of those appointees would probably come from the southern part of the archipelago and the other from the northern part, where the mountain tribes reside. This bill simply gives the power to the legislature to permit these heads of departments to vote, so that if they were permitted to vote by the legislature that would be 6 out of 24, which is one-fourth of the total number.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Moore].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Sec. 24. That the supreme court and the courts of first instance of the Philippine Islands shall possess and exercise jurisdiction as heretofore provided and such additional jurisdiction as shall hereafter be prescribed by law. The municipal courts of said islands shall possess and exercise jurisdiction as now provided by law, subject in all matters to such alteration and amendment as may be hereafter enacted by law; and the chief justice and associate justices of the supreme court shall hereafter be appointed by the President, by and with the advice and consent of the Senate of the United States. The judges of the court of first instance shall be appointed by the Governor General, by and with the advice and consent of the Philippine Senate: *Provided*, That the admiralty jurisdiction of the supreme court and courts of first instance shall not be changed except by act of Congress.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 21, line 13, after the word "Congress," insert: "That in all cases pending under the operation of existing laws, both criminal and civil, the jurisdiction shall continue until final judgment and determination."

Mr. TOWNER. Mr. Chairman, there is no provision in the act that in cases pending where change is made between the present form of government and the new form, if this bill shall become the law, that the cases then pending shall continue until final judgment and determination, and jurisdiction shall be granted for that purpose. It is not necessary for me to argue in favor of that, I presume.

Mr. JONES. Mr. Chairman, I think there will be no objection on this side.

The question was taken, and the amendment was agreed to.

Mr. COOPER. Mr. Chairman, I move to strike out the last word. I desire to ask the gentleman from Virginia if the jurisdiction of the courts of first instance in the islands, as provided in lines 25 and 26, on page 20, and lines 1 and 2, page 21, can be changed by any law of the Philippine Legislature?

Mr. JONES. Yes; the power is given to the legislature under this bill to change—

Mr. COOPER. Does the gentleman think that such a power as that should now be conferred on this practically new legislature to change the jurisdiction of the supreme court of the islands?

Mr. JONES. Not the supreme court. I thought the gentleman said the courts of first instance. The legislature now has that power. I will say to the gentleman.

Mr. COOPER. To change the jurisdiction of the supreme court of the islands?

Mr. JONES. Yes; the supreme court and courts of first instance. I correct myself. It has it of both courts.

Mr. COOPER. And we have had there all the time, of course, the commission, all three of which until recently have consisted of Americans, and it occurs to me—

Mr. JONES. The gentleman knows, however, there is no law that ever required that the three should belong to any particular race.

Mr. COOPER. That is true. The language in line 2, page 21, is that the jurisdiction shall be as heretofore provided, "and such additional jurisdiction as shall hereafter be prescribed by law."

Mr. JONES. Yes.

Mr. COOPER. Then you provide in the proviso, line 12, same section, on page 21, that the admiralty jurisdiction of the supreme court and courts of first instance shall not be changed except by act of Congress?

Mr. JONES. Yes.

Mr. COOPER. So they can change all other jurisdiction, civil and criminal, except the admiralty jurisdiction?

Mr. JONES. Yes. And it is obvious, I know, to the gentleman why we did not change the admiralty jurisdiction.

Mr. COOPER. Yes.

Mr. MILLER. Mr. Chairman, I move to strike out the last two words. The gentleman from Virginia, chairman of the Committee on Insular Affairs, in his opening remarks observed that the legislature in the Philippine Islands during the past year had not reduced the salaries of any of the judges in the islands. I know he does not want a misstatement to appear on the record, and therefore I take this opportunity to submit an observation. It may not have come to the attention of the gentleman, but nevertheless it is a fact that the legislature last winter removed from office every judge of first instance in the islands. Now, I hope the membership of the committee will grasp that in its entirety. The legislature by an enactment absolutely abolished every judge of first instance in the islands; that is, vacated the offices and increased the number, which was a very proper thing to do, because the number had come to be insufficient. It opened them all up to reappointment by the Governor General, and the Governor General did appoint judges to all of these positions, and they reduced the salaries of the judges of the courts of first instance, which are the trial courts of the islands. We would call them nisi prius courts.

Now, I do not wish it to be understood by the remark which I have made that any serious havoc resulted. I have said some things in criticism of the present Governor General. I want to say something in his praise. The present Governor General reappointed every old judge in the islands except one, and, as I understand it, that one judge did not desire to be reappointed; I think he resigned a little bit before. So that in administering the new law passed by the Philippine Legislature the Governor General exercised excellent discretion, excellent conservatism, excellent judgment, with the entire approbation and approval of the Philippine people.

But I do think this ought to be said, Mr. Chairman. I do not believe that judges of the courts of the first instance there were being paid a salary a bit too high. I said to myself while I was there, as many another man has said, that some of the officials connected with the Government of the Philippines were being paid a salary a little too high. But the salary of the judges of the courts of first instance was a very, very moderate salary, and the amount of the reduction, it seems to me, was unfortunate, although it was not very severe. I make this statement because if it should come to the attention of any of the people there interested, they will know that some of us at least do not believe in reducing materially the salary of the judges.

Mr. JONES. Mr. Chairman, the statement which I made, as the gentleman will recall, was based on a cablegram which was sent by Gov. Gen. Harrison to the Secretary of War, in which he stated that the expenditures of the government had been reduced to the extent of \$1,000,000, and that that had been accomplished without reducing the salary of any of the judicial officers.

Mr. MILLER. That was prior to the enactment of that law. Mr. JONES. I do not recall at this moment whether that cablegram was prior to the 1st day of July or subsequent thereto. If it was prior to the 1st day of July, of course there would be no conflict between the statement of the Governor General and that made by the gentleman from Minnesota. The courts were reorganized under an act of the legislature which was carried into effect on the 1st day of July, and it may be that since the 1st day of July, as the gentleman states, some of the salaries of the judges have been reduced.

Mr. MILLER. If the gentleman will permit me—

Mr. JONES. I do not know as to that, and I am perfectly willing to accept the gentleman's statement if he says he knows they have been. He says there have been moderate reductions, and I simply want to say that I am quite sure that if these reductions were made, as the gentleman says they have been—and his statement I do not question—they were proper reductions and have not at all interfered with the efficiency of the courts. The Governor General of the islands has been greatly complimented upon his action taken in pursuance to the law providing for the reorganization of the courts. An opportunity was given him to play politics, so to speak, if he had desired to do so. He, however, reappointed all of the old judges, I believe, and most of the seven new appointments were deserved promotions, I think. It is generally admitted that they were the best that could have been made under the circumstances. I never heard of the slightest criticism of the Governor General on account of anyone of his judicial appointments. On the contrary, his course has been universally commended.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

Sec. 25. That the Supreme Court of the United States shall have jurisdiction to review, revise, reverse, modify, or affirm the final judgments and decrees of the Supreme Court of the Philippine Islands in

all actions, cases, causes, and proceedings now pending therein or hereafter determined thereby in which the Constitution or any statute, treaty, title, right, or privilege of the United States is involved; and such final judgments or decrees may and can be reviewed, revised, reversed, modified, or affirmed by said Supreme Court of the United States on appeal or writ of error by the party aggrieved within the same time, in the same manner, under the same regulations, and by the same procedure, as far as applicable, as the final judgments and decrees of the district courts of the United States.

Mr. MILLER. Mr. Chairman, I have an amendment which I wish to offer.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, by inserting after the word "involved," line 20, page 21, the following: "or any causes in which the value in controversy exceeds \$25,000 or in which the title or possession of real estate exceeding in value the sum of \$25,000, to be ascertained by the oath of either party or by other competent witnesses, is involved or brought in question."

Mr. MILLER. Mr. Chairman, may I inquire whether there is any disposition on the part of the chairman of the committee to accept this amendment?

Mr. GARRETT of Tennessee. Is that the present law?

Mr. MILLER. That is exactly the present law. I copied it exactly from the organic act.

Mr. COOPER. May we have it reported again?

Mr. MILLER. Mr. Chairman, some of the Members did not quite hear all of the amendment. May we have it reported once more?

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again reported.

Mr. MILLER. If the chairman of the committee will indicate whether or not he feels inclined to accept that amendment, it will enable us to expedite the consideration of it. At any rate, I would like to be heard in support of the amendment. I sincerely trust it will be the wisdom of the committee to accept it, and it is offered with the utmost seriousness for the benefit of the people of the Philippine Islands. It is of no benefit to the United States, nor is there any benefit to any official of the United States.

But there is a decided benefit in it to the people of the Philippine Islands, and we may as well know why. Whether it ought to or not is not the question. As a matter of fact, in the Philippine Islands there is a great shortage of money with which to do business. I suppose economically the greatest handicap of all is the lack of money. They are absolutely dependent, just as we were in this country at one time—largely dependent—upon foreign countries for loans. Now, it is unquestioned to the Filipino people themselves that if their industries are to be developed and their resources utilized they must borrow money from abroad. It may not be that they will borrow money from the United States. Maybe they will. If they do not borrow it from here, they will have to borrow it from some other country that has it to loan, and there are many other countries that have citizens there who have invested large sums of money in the islands.

It might not be out of place to add that several lines of business peculiarly adapted to the Philippines require large sums of money for their conduct. For instance, take the sugar business, which I feel is going to be one of the greatest blessings to the people there when developed. Under the simple methods and the ancient ways of sugar cultivation and manufacture from 40 to 60 per cent of the valuable part of the product was lost and wasted. It can only be utilized and the industry can only be made profitable by the building of centrals, by the building of sugar-manufacturing plants—not refineries—that require the investment of millions; and everybody there, as well as everybody here familiar with the sugar business, knows how essential that is.

Now, they have got to borrow money from some place, and business men and people interested in the islands inform me that this provision is really necessary, in order that there may be a proper investment of foreign capital in the islands. It is a practical matter that is of the utmost importance. Without it, I believe the rate of interest in the islands will be very much higher than it would be with it in the bill. If this is retained in the bill, not only will capital move into the islands for the development of the islands with much greater rapidity than it now does, but it can be obtained on much more advantageous terms than it now can be obtained.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I would like to have two or three minutes more.

Mr. STAFFORD. I ask unanimous consent, Mr. Chairman, that the gentleman from Minnesota be permitted to proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield there?

Mr. MILLER. Yes.

Mr. GOULDEN. What is the prevailing rate of interest in the islands now, as you discovered while you were in the islands, say, in Manila?

Mr. MILLER. I can not say what the prevailing rate of interest is, but I know that the rate of interest on money loaned out to the people is very high.

Mr. GOULDEN. From what sources outside of the islands themselves are the largest investments made?

Mr. MILLER. The largest investments are from England. Then I found some Swiss with large investments. The largest single investment in the islands is that of the Tobaccolera Co. It is a Spanish and French concern, and it has been there for many years. Then there are some very large American investments already made and being made in the islands.

Mr. GOULDEN. Will the present war in Europe require the calling in of much of those investments?

Mr. MILLER. I do not believe they can call them in, but there will be no further investment from those countries in the islands in the next few months. I do not know how it will be in the years to come. But I do believe it will be of the utmost benefit to the people of the islands to reduce the interest rate and provide them with capital.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. STAFFORD. I quite agree with the purpose which the gentleman had in mind in offering his amendment. I wish to ask him whether he has considered the clogging of the dockets of the Supreme Court with these cases, and whether it would not serve the same purpose to provide, as we do in cases from courts on the Canal Zone, for appeals to be taken to the circuit court of appeals?

Mr. MILLER. No; I do not believe that would do at all. I do not think we should make the Supreme Court of the Philippine Islands second to any court in the world excepting the Supreme Court of the United States; and I want to go on record as saying that the Supreme Court of the Philippine Islands is a magnificent court, and the native members of that court are men of the highest learning and of the utmost probity and capacity. [Applause.]

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Certainly.

Mr. TOWNER. Is it not true that the Supreme Court of the Philippine Islands enjoys the unique distinction of never having had reversed a single appeal from it to the Supreme Court of the United States, but that all of its decisions have been affirmed?

Mr. MILLER. That is true.

Mr. JONES. If the gentleman will permit me, Mr. Chairman, I wish to say that the gentleman is mistaken.

Mr. TOWNER. Of the Supreme Court of the Philippine Islands as it is at present constituted?

Mr. JONES. Yes, sir. The gentleman is mistaken. I will say to him, however, that there have been 17 appeals under the present provision, which permits appeals where property to the value of \$25,000 is involved, and there has been but 1 of the 17 cases reversed.

Mr. TOWNER. I think the gentleman is taking into consideration not the present supreme court, but the entire record of courts that have been formed in the Philippine Islands.

Mr. JONES. No. I mean the court as it has been established since the organic law went into effect.

Mr. MILLER. Mr. Chairman, referring to the suggestion made by the gentleman from Wisconsin [Mr. STAFFORD], in so far as his statement bears upon the congestion of business before our Supreme Court, the statement made by the gentleman from Virginia [Mr. JONES] really answers that completely. In a period of 12 years there have been 17 appeals under this clause. That is only about one a year. Now, it is not desired that there shall be many appeals. There will not be many. I suppose if this is retained in the bill in the next 12 years there will not be nearly as many as there were in the previous 12 years. There may not be more than one or two.

But that is not what I am asking for. I want it inserted in the bill, in the organic act that is to be enacted here, as a safeguard to prospective investors, so that money can be obtained on more advantageous terms for the upbuilding and development of the Philippine Islands.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired. The question is on agreeing to the amendment offered by the gentleman from Minnesota.



The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MILLER. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 12, noes 32.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 26. That the Government of the Philippine Islands may grant franchises and rights, including the authority to exercise the right of eminent domain, for the construction and operation of works of public utility and service, and may authorize said works to be constructed and maintained over and across the public property of the United States, including streets, highways, squares, and reservations, and over similar property of the government of said islands, and may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy such public property belonging to said Provinces or municipalities: *Provided*, That no private property shall be taken for any purpose under this section without just compensation paid or tendered therefor, and that such authority to take and occupy land shall not authorize the taking, use, or occupation of any land except such as is required for the actual necessary purposes for which the franchise is granted, and that no franchise or right shall be granted to any corporation except under the conditions that it shall be subject to amendment, alteration, or repeal by the Congress of the United States, and that lands or rights of use and occupation of lands thus granted shall revert to the governments by which they were respectively granted upon the termination of the franchises and rights under which they were granted or upon their revocation or repeal. That all franchises or rights granted under this act shall forbid the issue of stock or bonds except in exchange for actual cash or for property at a fair valuation equal to the par value of the stock or bonds so issued; shall forbid the declaring of stock or bond dividends, and, in the case of public-service corporations, shall provide for the effective regulation of the charges thereof, for the official inspection and regulation of the books and accounts of such corporations, and for the payment of a reasonable percentage of gross earnings into the treasury of the Philippine Islands or of the Province or municipality within which such franchises are granted and exercised: *Provided further*, That it shall be unlawful for any corporation organized under this act, or for any person, company, or corporation receiving any grant, franchise, or concession from the government of said islands, to use, employ, or contract for the labor of persons claimed or alleged to be held in involuntary servitude; and any person, company, or corporation so violating the provisions of this act shall forfeit all charters, grants, or franchises for doing business in said islands in an action or proceeding brought for that purpose in any court of competent jurisdiction by any officer of the Philippine Government or on the complaint of any citizen of the Philippines under such regulations and rules as the Philippine Legislature shall prescribe, and in addition shall be deemed guilty of an offense, and shall be punished by a fine of not less than \$10,000.

Mr. TOWNER. Mr. Chairman, I desire to offer the following amendment. I move to strike out, in line 20, page 23, the words "claimed or alleged to be."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 23, line 20, strike out the words "claimed or alleged to be."

Mr. TOWNER. Mr. Chairman, I do not know how those words got into the bill. I suppose by inadvertence, but certainly they ought not to be there. The language is:

That it shall be unlawful for any corporation organized under this act, or for any person, company, or corporation receiving any grant, franchise, or concession from the government of said islands, to use, employ, or contract for the labor of persons held in involuntary servitude.

There is no claim that such language ought to be in the bill on the part of the committee. The language will be entirely sufficient if those words are stricken out, so that it will read:

That it shall be unlawful for any corporation organized under this act, or for any person, company, or corporation receiving any grant, franchise, or concession from the government of said islands, to use, employ, or contract for the labor of persons held in involuntary servitude; and any person, company, or corporation—

I do not think, Mr. Chairman, it is necessary to say anything further in support of the amendment.

Mr. JONES. Mr. Chairman, I do not know that I have any objection to the amendment. I want to say, however, that the words were not inadvertently inserted in the bill, as the gentleman from Iowa seems to think. These words are copied, if I am not mistaken, verbatim from the organic law. I have no objection, however, to the elimination of the words.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

Mr. BARTLETT. Mr. Chairman, I move to strike out the last word. I call attention to the proviso in line 15, page 22, which reads, "No private property shall be taken for any purpose under this section," which provides for the taking of property by public quasi corporations exercising the power of eminent domain, "without just compensation paid or tendered therefor."

I think, Mr. Chairman, we should amend this so as to read "taken or damaged." The Constitution of the United States uses the words, in the fifth amendment, "nor shall private property be taken for public use without just compensation." The taking of public property by a corporation exercising the power

of eminent domain is a quasi taking for public use, but at the same time in the taking of that property for that use, now known and recognized as a public use, property is very often damaged, and the damage done to the property oftentimes is much more serious and greater than the value of the property so taken.

To illustrate: A railroad comes through your property and, exercising the power of eminent domain, it takes the roadway and pays a just compensation for it, ordinarily its market value. At the same time it may greatly damage the property that they do not take and use. It may run through your orchard or your flower yard; it may cut down a portion of the forest which has been there for years, which your ancestors have planted. They may even invade the place where your dead are buried. They may damage it in many ways, and simply to say that you permit the corporations to pay only for the property they take is not keeping up with the idea that the courts in most of the States of the United States, in considering the question, have decided that the owner of the property ought to be compensated for the damage done to it as well as the value of the property taken.

Mr. TOWNER. Has the gentleman an amendment to offer on that proposition?

Mr. BARTLETT. I have one; yes. I did not want to offer an amendment which would not be acceptable. My amendment is that after the word "taken," in line 15, page 22, insert the words "or damaged," so that it will read: "property shall not be taken or damaged for any purpose under this act without compensation," and so forth.

Mr. GARRETT of Tennessee. Then, it would read "no private property shall be taken or damaged for any purpose under this section."

Mr. BARTLETT. Without just compensation.

Mr. GARRETT of Tennessee. Shall be taken or damaged?

Mr. BARTLETT. Under this section.

Mr. GARRETT of Tennessee. Is it the construction of the gentleman that this is not broad enough to cover damages?

Mr. BARTLETT. Yes; it is doubtful whether, under this language, it would cover damages done to the property. I will state to the gentleman that in Georgia we placed in our constitution of 1877 to meet this very question the words proposed to be incorporated in this act.

Mr. BORLAND. Will the gentleman yield?

Mr. BARTLETT. Yes.

Mr. BORLAND. We have done the same thing in Missouri. We have inserted the same words because, under the theory that a railroad company has built along a street line its own roadway and prevents access between two portions of a man's land that formerly belonged to the owner, that is a damage; or it can raise a great fill, and only the toe of the fill going on the land with very little actual land taken, but doing very great damage. The same way if a cut was made, there would be a canyon or sunken way between the two portions of the land, and that is a great damage, but not strictly a taking.

Mr. TOWNER. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. JONES. Mr. Chairman, I suggest to the gentleman that it would be an improvement in the language and, I think, the sense of the amendment if it read this way: "No private property shall be damaged or taken for any purpose," and so forth.

Mr. BARTLETT. I am perfectly willing to accept that. I suggest, Mr. Chairman, that that modification be made.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

Mr. TOWNER. Mr. Chairman, I trust that this amendment will be agreed to. While in most of the States where the question has arisen injury or damage is held to be included under the taking of the property, still there has been a great deal of litigation regarding that matter. This will settle it and make it plain and clear that if the value is materially impaired, if taken by the Government, it must be paid for.

Mr. JONES. The committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. BARTLETT].

The Clerk read as follows:

Page 22, line 15, after the word "be," insert the words "damaged or."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. BARTLETT. Mr. Chairman, I move to strike out the last word for the purpose of calling the gentleman's attention

to another matter to which I have given some consideration. I refer to the language:

Without just compensation paid or tendered therefor.

I do not think that we should leave it in that shape. Ordinarily where the parties do not agree as to the damage or value to the property taken there is in the States or under the laws of the United States some sort of tribunal to assess the value of the property and the damages. We call them commissioners in our State. That tribunal is to judge the value of the property taken or damaged, and they fix the value. The amount so fixed, the law provides, may be tendered or paid into court, and then the corporation may proceed with its work; but here in this bill you permit the mere tender of an amount not ascertained or agreed upon by anyone except the person who desires to take the property. For instance, a railroad desires to go through the property of some owner of land in the Philippine Islands, and under this bill that railroad company will say, "I do not believe the land to be worth so many dollars, but I will tender you this amount." Who is to determine the value? The landowner declines to take what is tendered to him, but the mere tender of it gives the corporation all of the right that the payment for the property would give it. Therefore I do not think we should, after requiring that just compensation should be paid, which is proper under the Constitution of the United States, say that that requirement of just compensation may be met by a simple tender, without providing at least the means by which just compensation may be ascertained and determined.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. Yes.

Mr. FESS. I wanted to make the observation that simply offering, without any agreement as to what it is worth, would not be a tender, and you would have to have an adjudication in court.

Mr. BARTLETT. Doubtless that would be a proper construction, but you leave it for the corporation itself to determine what amount it will tender, and afterwards leave it to the court to determine whether that is a sufficient amount; but when he tenders the amount, it meets all of the requirements of the act, and they may take the property. The property can be taken in two ways—first, by paying just compensation; and if the owner does not agree that the compensation offered is just, then the corporation may tender what it considers is just, and that answers the requirement.

Mr. FESS. My observation was that if I simply offer you something without any adjudication as to what it is worth, that would not be a tender at all, and it would require an adjudication.

Mr. BARTLETT. You leave it uncertain how the amount is to be determined.

Mr. FESS. You can not do it with the wording as it is here.

Mr. BARTLETT. Exactly; that is the point I am making.

Mr. BORLAND. Does not the gentleman think that language is broad enough, however, for an organic act or a constitutional provision as a basis of legislative enactments? Does not the gentleman think that provision probably could be made for ascertaining just compensation and how the tender should be made and paid into court and in what period it should be paid? Does the gentleman think it is necessary that all of these details should appear in an organic act?

Mr. BARTLETT. No.

Mr. BORLAND. Where the provision of the organic act is that private property shall not be taken without just compensation, paid or tendered, that constitutional right can be further carried out by proper legislation, and until it is carried out the gentleman knows an injunction would lie against taking any property unless some proceeding had been taken.

Mr. BARTLETT. That may be a proper criticism, and I yield to it as such; but, for one, I do not believe the property ought to be taken until it is paid for. The mere tender is not a payment.

Mr. BORLAND. It is customary now to allow the amount to be paid into court in case the owner will not take the money.

Mr. BARTLETT. A tender is not good unless it is continuing, of course.

Mr. GARRETT of Tennessee. Mr. Chairman, I would say to the gentleman from Georgia that the theory just suggested by the gentleman from Missouri [Mr. BORLAND] is the theory on which this language was put into the bill. I will say that it struck me at first as peculiar language, but the committee included it upon this theory, that after just compensation had been determined under the forms of law there ought to be some provision whereby these public-utility corporations should not

be held up on technicalities if they could go ahead with the work by tendering the money in court.

Mr. BARTLETT. Does not the gentleman think it leaves open a wide field there for litigation to determine what is to be a tender?

Mr. GARRETT of Tennessee. My idea of the proper construction of this language, I will say to the gentleman, is this, that the just compensation must be determined under the forms of law before it can be either paid or tendered. In other words, if they have condemnation proceedings, a jury of view, such as we have in Tennessee—I do not know what the custom is in the gentleman's State—

Mr. BARTLETT. We have what we call commissioners.

Mr. GARRETT of Tennessee. They will have passed upon it or fixed the amount before it can be paid or tendered, unless there shall be a private agreement. Of course the theory is that these public corporations are desirable things to have.

Mr. BARTLETT. Until after you get them; yes. [Laughter.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman is recognized.

Mr. GARRETT of Tennessee. Upon the theory that they are necessary, that they are public necessities, the committee felt that it was perfectly proper to put these words, "or tendered therefor," in the bill, to the end that they might not be held on technicalities after the just compensation had been determined.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Ohio.

Mr. GORDON. The statute in my State provides, in case it is sought to condemn property after a jury has fixed the value upon it in the lower court, that the person seeking to condemn the property deposits the amount fixed by the jury; but that does not, however, destroy the right to review the decision on proceedings in error.

Mr. GARRETT of Tennessee. It is not intended this should.

Mr. GORDON. Of course our constitution provides, however, that no private property can be taken until it has been paid for.

Mr. GARRETT of Tennessee. Well, I do not understand it is intended that this prevents a review.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. COOPER. Suppose, after the word "compensation," in lines 16 and 17, page 22, you should put "without just compensation lawfully determined, paid or tendered therefor." Suppose you put in the words "first lawfully determined" or "by due process of law"?

Mr. GARRETT of Tennessee. Personally, I see no objection to that.

Mr. COOPER. "Lawfully determined" means in accordance with law, and is a better expression.

Mr. TOWNER. Mr. Chairman, I desire to offer an amendment in reference to that language.

Mr. GARRETT of Tennessee. First, I desire to yield to the gentleman from Kentucky [Mr. HELM].

Mr. HELM. Mr. Chairman, I simply want to make this observation, or rather to put it in the shape of a question: If the words "or tendered" are eliminated and the language is "just compensation paid," payment necessarily implies acceptance; and if the person whose property is to be taken is paid or accepts compensation, he thereby estops himself from an appeal, no matter how unjust or inadequate he may think the compensation is that the jury or the awarding body has allowed him. So that it is absolutely necessary to have those words "or tendered" in there in order to preserve the rights of the owner of the property, or else you indefinitely delay or postpone the enterprise for which the property is being taken.

Mr. GARRETT of Tennessee. That is the theory, as the gentleman knows and has well stated, upon which the committee proceeded.

Mr. JONES. Mr. Chairman, I do not understand there is any amendment pending.

Mr. TOWNER. Mr. Chairman, I know; but I desire to offer an amendment, if I can get the chance. I move to strike out, in line 17, page 22, the words "paid or tendered therefor."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 22, line 17, by striking out the words "paid or tendered therefor."

Mr. TOWNER. Mr. Chairman, this brings the language of the bill in consonance, as it ought to be, with the language used in the Constitution of the United States and in most of the



States. The language used in the Constitution of the United States is simply this:

Nor shall private property be taken for public use without just compensation.

That language has been construed by the Supreme Court. It has a settled and determined meaning. It has been held to include injuries and damages in the taking of the property, and it would allow every possible benefit that could accrue to the individual that any additional words could give. The difficulty with this language, which has been used in some of the State constitutions, "paid or tendered therefor," is that it is entirely unnecessary. It is meaningless, in the first place, because if the compensation has been paid there is no controversy between the parties. If the United States pays the compensation, there is no question arising, and if the amount is undetermined, it can not be tendered, so that the language is impossible of being made efficacious. It ought to be stricken out in the interest of fairness and in the interest of the people who are being affected thereby.

Mr. STEENERSON. Is it not the usual thing in State constitutions to say "paid or secured"? Because if you simply authorize the taking, without any limitation, you can hold up the building of a railroad, for instance, by litigation that may last for years. In our State we allow a railroad or an improvement of that kind to be constructed if the compensation for the right of way, for instance, is deposited with the clerk of the court where the condemnation proceedings are carried on, so that it will not stop the matter.

Mr. TOWNER. All these matters are and ought to be entirely legislative. Provisions of that character ought to be legislative acts. You can not put in a constitution enough language to cover it. You ought to put in nothing except this bare statement that no property shall be taken without just compensation, just as the Constitution of the United States does. It is impossible to improve upon it, and the provision with regard to the method of paying the ascertained value, the tribunal to which it shall be submitted, and the security that shall be required for the amount ascertained by the tribunal—all of those questions are questions of legislative action, and should be left to the legislature.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

[Mr. GREENE of Massachusetts addressed the committee. See Appendix.]

Mr. HELM. Mr. Chairman, I want to ask the chairman of the committee if he would agree to an amendment striking out the words "or concession," on page 23, line 18?

Mr. JONES. Yes.

Mr. HELM. I offer an amendment, on page 23, line 18, by striking out the comma after the word "grant" and inserting the word "or," and strike out the words "or concession."

The CHAIRMAN. The gentleman from Kentucky offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 23, line 18, strike out the comma after the word "grant" and insert the word "or," and strike out the words "or concession" after the word "franchise."

So that it will read:

Person, company, or corporation receiving any grant or franchise from the government of said islands.

Mr. MILLER. Mr. Chairman, will the gentleman yield? The gentleman understands that this provision just applies simply to persons held in involuntary servitude or peonage?

Mr. BORLAND. Is there such a thing as concession?

Mr. MILLER. This is the language, I assume, in the organic act, is it not?

Mr. GARRETT of Tennessee. I think the word "concession" was used, but it was stricken out in this bill.

Mr. MILLER. Of course, the place where the gentleman moves to strike out the word "concession" is a place that is dealing with peonage in the islands.

Mr. HELM. It is a word that has been eliminated from other parts of the bill.

Mr. MILLER. It is to prevent anybody who is receiving a franchise or concession from employing persons who are held against their will.

Mr. JONES. I will say to the gentleman from Kentucky that he is limiting it.

Mr. MILLER. Yes; the gentleman is excluding one class, and the presumption would be—

Mr. JONES. The gentleman from Minnesota is right about it.

Mr. HELM. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, may I be recognized?

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. MILLER. Mr. Chairman, I move to strike out the word "such," in line 14, page 22. It seems to me that leaves a great deal of ambiguity in the language. This is the provision in relation to public property.

Now, as it reads, there is given the authority to authorize the construction of works "across the public property of the United States, including streets, highways, squares, and reservations, and over similar property of the government of said islands, and may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy such public property belonging to said Provinces or municipalities." Now, if this remains in the bill you have given to the government of the Philippine Islands the power to extend the power of eminent domain over the property of the United States, streets, highways, squares, and reservations belonging to the government, and then you say you give to the municipalities, under regulations to be passed by the legislature, the right to use and occupy such public property. Now, the word "such" there applies to the property of the United States. That is what it says now.

Why not strike out the word "such"? You thereby attain the object you have in view. The word "such" refers back to all the classes of public property, which includes the property of the United States, and by striking it out it will read, "may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy public property belonging to said Provinces or municipalities." It would clear it up very materially.

Mr. JONES. I see no objection, Mr. Chairman, to the adoption of the language proposed by the gentleman from Minnesota, but if he will look at the organic act he will find that this language is copied verbatim from that act.

Mr. COOPER. Mr. Chairman, will the gentleman permit an interruption?

Mr. MILLER. Yes.

Mr. COOPER. The use of the word "such" would, as the gentleman suggests, limit it to the kinds of public property specified in the section. If you strike out the word "such," it would authorize those municipalities to permit these corporations to use all kinds of public property owned by the municipalities. Do you wish to do that? Do you not wish to limit them to the specific kinds of property owned by the municipalities which are mentioned in the preceding lines of that section? Is not the word "such" used there advisedly? You go over and cross the public property, including streets, highways, squares, and reservations, and over similar property in the islands. But it would not give the municipality the right, if you retained the word "such," to convey to a corporation the right to use an entire public square. They could go across it. I think the word "such" ought to be retained there. I do not think the word "such" ought to be stricken out.

Mr. JONES. Mr. Chairman, since reading the language carefully, I rather agree with the gentleman from Wisconsin [Mr. COOPER]. At least he has convinced me that the word "such" ought to be retained. The gentleman from Minnesota [Mr. MILLER] will observe that the language used is this:

That the Government of the Philippine Islands may grant franchises and rights, including the authority to exercise the right of eminent domain, for the construction and operation of works of public utility and service, and may authorize said works to be constructed and maintained over and across the public property of the United States, including streets, highways, squares, and reservations, and over similar property of the government of said islands.

Notice the words, "similar property of the government of said islands." Then the provision continues—

And may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy such public property belonging to said Provinces or municipalities.

The word "such" evidently refers to the property belonging to the government of the islands, and I think upon further consideration it would be improper to strike it out.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MILLER. Mr. Chairman, has my time expired?

The CHAIRMAN. It has.

Mr. MILLER. I would like one moment more.

Mr. JONES. Does not the gentleman from Minnesota think, after examining the language carefully, that the word "such" should be retained? I agreed with the gentleman at first, but

a more careful reading of the paragraph convinces me he was mistaken in his construction of its language.

Mr. MILLER. Since the gentleman from Wisconsin [Mr. COOPER] has called attention to it, I think his comment is a forcible one, but that does not answer the objection made, namely, that the word "such" refers principally to property of the United States. We will grant that there is property of the United States "belonging to said Provinces or municipalities."

Mr. JONES. To make it perfectly clear as to what property is meant, these words are added:

Such property belonging to said Provinces or municipalities.

Taking the two sentences together, there can be no doubt that the property of the islands is that referred to.

Mr. MILLER. It is extremely doubtful language.

Mr. JONES. Since I have read it over carefully, it seems to me it could not be made much plainer.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. BRYAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 23, line 15, after the word "exercised," strike out the colon and insert a semicolon and the following language: "No franchise shall be granted for a longer term than 50 years."

Mr. BRYAN. Mr. Chairman, the way the act is worded there is no limitation of the term for which the franchise may be granted. Franchises may be granted with reference to any public utility in perpetuity under this bill, and I believe that in view of the experiences we have had here in our cities, our municipalities, our States, and in the country at large we ought to be very glad to establish some safeguard that would limit the term for which a franchise might be granted.

A perpetual franchise runs for a long time, and it seems to me this is one of the most important features in connection with the granting of franchises, how long will they run? We had the other day the question of water power in rivers and on the public domain, and we agreed on a franchise of 50 years there. It seems to me there ought to be some time limited in this bill.

Mr. BORLAND. Will the gentleman yield?

Mr. BRYAN. Yes.

Mr. BORLAND. Is not the gentleman's fear unfounded, in view of the language in lines 21, 22, and 23 that "no franchise or right shall be granted to any corporation except under the conditions that it shall be subject to amendment, alteration, or repeal by the Congress of the United States"?

Mr. BRYAN. If we give them their independence, suppose a franchise is granted in perpetuity after this law takes effect. Five years from now the Democrats will prevail on the Republicans or somebody else to give them their independence, which they say ought to be given them in this preamble; how will Congress revoke that franchise?

Mr. BORLAND. If they have their independence, they will succeed to the sovereignty and exercise all of the right of sovereignty, and could not they repeal the charter?

Mr. BRYAN. Perhaps so; but that is unsatisfactory. The United States is going to keep the Philippine Islands until all of us are dead; there is no question about that. Congress is going to have this authority and power for a very long time. No one is going to consent to the ridiculous proposition of quitting the Pacific Ocean. The suggestion that Congress has the right to repeal is inadequate, and I think the franchise ought to be limited. Does anyone here suppose Congress is going to take up a Philippine franchise after it has been running for a number of years and repeal it, except for the grossest and most unusual abuse? Let us fix a limit.

Mr. JONES. Mr. Chairman, I think the questions asked by the gentleman from Missouri sufficiently answer the argument of the gentleman from Washington.

Mr. COOPER. Will the gentleman permit a question?

Mr. JONES. Certainly.

Mr. COOPER. Suppose that a large number of franchises are granted over there in perpetuity by the Philippine Legislature. The Sugar Trust now has 55,000 acres of land in Mindoro. It was not intended by Congress that any corporation should have the right to purchase more than 2,500 acres of agricultural land in the islands, which, acre for acre, is three times as productive as ours. But that company has 55,000 acres. If we give the Philippine Government power to grant perpetual franchises, how many corporations will secure gigantic concessions, and when the Government of the United States under-

takes to hand over the Philippines—should it ever do so—demand that their rights be protected by express provisions in the articles of cession?

Mr. JONES. The gentleman asks a question which I do not think has any application to the subject under discussion. The sale of those lands was not the grant of a franchise. It was a sale made by the Philippine Government under a section of the organic law which provides for the sale of the public lands, and limits the amount to be sold to an individual or corporation. The commission decided that the restrictions placed upon the sales of the public domain acquired from Spain did not apply to the friar lands which were acquired by purchase, and authorized the sale of those lands in quantities in excess of 1,040 hectares. The gentleman from Wisconsin thought, and I thoroughly agreed with him, that the commission violated the law in making such sales. But I do not think that there is any connection between those illegal sales and a provision which relates to the granting of franchises.

Mr. COOPER. No; but corporations of that kind might be able to get all sorts of concessions and franchises.

Mr. JONES. If they do get them, Congress can annul them; and if Congress does not do it before the Philippines get their independence, as the gentleman from Missouri has well said, the Philippine Government will succeed to all the attributes of the sovereignty of the United States, including the right to annul franchises.

Mr. COOPER. The gentleman from Virginia and I agree on the proposition that the sale of 55,000 acres of land to the Sugar Trust, or to any other single purchaser, was in direct violation of the whole spirit and intent of Congress and of the law. To prove that our contention is correct I refer to the fact that the Secretary of War, Mr. Taft, in a speech, in 1905, before the Commercial Club of Kansas City, an excerpt from which speech I put into the Record in July, 1912, expressly informed that club—I have a verbatim printed copy of the speech—that Congress had by the act of 1902 limited the amount of lands which any corporation could own over there to 2,500 acres, and that therefore there was no danger of exploitation by gigantic corporations. And yet afterwards 55,000 acres of land were sold to the agent of one corporation—the American Sugar Trust.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. They were first refused the right to buy so large a tract, and were told at the War Department, in the office of the Bureau of Insular Affairs, that Congress had by the act of 1902 prohibited any corporation from buying more than 2,500 acres.

Mr. MILLER. Was the prohibition in the act of 1902 confined to the public domain?

Mr. COOPER. It was not by any reasonable construction of the law.

Mr. MILLER. Can the gentleman point out in the organic act any place where it says that the friar lands only to the extent of that amount of acreage could be sold to one individual or corporation?

Mr. COOPER. Mr. Chairman, in reply to the gentleman I have to say that I introduced the bill and reported it to the House from the Committee on Insular Affairs, and that I always understood, as did everybody else, that the bill and the law it became applied to all of the public lands in the Philippine Archipelago. It is preposterous to suppose that the Congress of the United States intended to give to any single corporation or individual the right to buy 55,000 acres of those enormously productive lands. To say that Congress intended to allow such a thing is to say that Congress intended to put no restriction whatever on the amount of land that a corporation could buy, but deliberately permit any corporation, if it so desired, to buy all of the public lands in the islands.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. JONES. I wish to say in reply to the remark of the gentleman from Minnesota [Mr. MILLER] that I regret that this discussion has been entered upon.

Mr. MILLER. I did not enter upon it.

Mr. JONES. The gentleman asked the gentleman from Wisconsin if he could point to a single line of the organic law which forbids the sale of friar lands in excess of 1,040 hectares, and I desire to call his attention to this. If he will refer to sections 63, 64, and 65 of the organic law, under which these friar lands were purchased, and will examine section 65, he will find this language:

All lands acquired by virtue of the preceding section shall constitute a part and portion of the public property of the Government of the Philippine Islands, and may be held, sold or conveyed, or leased temporarily for a period not exceeding three years after their acquisition by



said Government, on such terms and conditions as it may prescribe, subject to the limitations and conditions provided for in this act.

This is the provision of law which the gentleman from Wisconsin [Mr. COOPER] thinks forbids the sale of the friar lands in larger quantities than the lands acquired from Spain can be sold.

Mr. MILLER. Can the gentleman from Virginia inform the committee whether or not the Attorney General of the United States construed this paragraph; and if he did, what did he hold?

Mr. JONES. I will reply to the gentleman's question if he will give me his attention.

Mr. MILLER. I am listening.

Mr. JONES. The then Attorney General did give an opinion—a very brief and hastily prepared one—to the effect that there was no limitation upon the quantity of the friar lands which could be disposed of. Subsequently there was a congressional investigation as to these sales when this opinion was called in question. I was told then that the Attorney General said that if he had known the question was "loaded" he would have given the subject more careful consideration. At any rate, it bore intrinsic evidence of hasty preparation, and was never, I think, given any serious consideration by any good lawyer.

Mr. COOPER. Mr. Chairman, may I interrupt the gentleman to say that in that opinion, or in an article in a newspaper or magazine, the Attorney General took occasion to say, in effect, that manifestly it was the intent of Congress to authorize such a transaction as that 55,000-acre purchase. I was the chairman of the committee that reported the bill, and I know that he utterly misstated the intent of Congress.

Mr. JONES. May I not ask the gentleman another question?

Mr. MILLER. Mr. Chairman, may I inquire who has the floor?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the gentleman have two minutes more.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the gentleman from Wisconsin have two minutes more. Is there objection?

Mr. MILLER. Mr. Chairman, reserving the right to object, I certainly do not want to enter into any controversy over this question. It has no bearing on the bill.

Mr. JONES. I do not think it has either; but it has nevertheless been dragged in.

Mr. MILLER. I have not raised the subject, and it seems to me that if we are going into it we ought to go into it thoroughly. There is a great deal that can be said upon both sides, and it is not fair to have this continue on indefinitely with only one side presented, and yet I do not feel disposed, and I do not think anybody else does, to enter into a discussion of it.

Mr. COOPER. Mr. Chairman, I ask that I may have two minutes and that the gentleman from Minnesota may have five minutes.

Mr. MILLER. I do not care for any time, because I am not going to get into any controversy over the matter.

Mr. JONES. I would like to ask the gentleman one question before he proceeds, if he does not object—

Mr. COOPER. I think I would like about three minutes. I want to read what Secretary Taft said.

Mr. MILLER. The gentleman can put it in the Record.

Mr. COOPER. I would like to read it here, because I think it of great importance at this point.

Mr. MILLER. I think its presentation in the way it is being done is not fair.

Mr. COOPER. I will ask the gentleman from Minnesota who inquired if a word could be cited to show the intent of Congress was—

Mr. MILLER. I have no—

Mr. COOPER. I wish to put it in such a way that it will not permit even the gentleman from Minnesota to dispute as to the true intent of the law.

Mr. MILLER. I am not disputing it. I am not entering into any controversy about it.

Mr. COOPER. Mr. Chairman, I ask that I may have three minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, may I ask the gentleman a question? Is it not true that, notwithstanding the opinion of the Attorney General, to which reference has been made, the Taft administration directed that no more friar lands should be sold in quantities in excess of 2,500 acres, or 1,040 hectares?

That is a fact, and none has been sold since then in larger quantities.

Mr. COOPER. On November 20, 1905, three years after Congress enacted the organic act of 1902, Mr. Secretary of War Taft made a speech to the Commercial Club of Kansas City, Mo. I had an advance press copy of that speech, and will now read what the Secretary said on that occasion as to the law limiting the amount of land which could be sold to a corporation in the Philippine Islands:

Gentlemen of the Commercial Club of Kansas City, we have purchased from the ecclesiastical orders 400,000 acres of the best land in the islands for the purpose of distributing it in small parcels among the tenants, to be paid for in long and easy payments.

Of course, tenants did not occupy all that land, as he well knew. Now, Mr. Chairman, is it to be supposed that the man who made that statement had a secret belief which he deliberately concealed from his audience, that 55,000 acres of those lands could lawfully be sold to one person or, indeed, that the whole 242,000 vacant acres could be lumped off to one man?

But that distinguished gentleman said something else of great importance in that speech which shows conclusively what he thought Congress had done by the law of 1902:

Much is made of the probable investment of American capital in sugar and sugar machinery. In the first place, by the laws of the Philippines enacted by Congress, no corporation can take up or hold more than 2,500 acres of land. This is prohibitory, so far as new investments in sugar plantations are concerned, because the sugar that can be produced from such a tract would not justify the investment of the amount needed for a modern sugar plant.

Mr. Secretary Taft told the Commercial Club of Kansas City that Congress had made exploitation impossible, because the law of 1902, by express enactment, limited the amount of land which could be purchased by a corporation in the Philippines to 2,500 acres.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Nobody ever thought of a 55,000-acre purchase until the Attorney General said that the representative of the Havemeyer Sugar Trust should be allowed to purchase 55,000 acres, and he bought it. [Applause.]

Mr. MILLER. Mr. Chairman, I ask unanimous consent that I may have three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota? [After a pause.] The Chair hears none.

Mr. MILLER. Mr. Chairman, I am not going to enter into any controversy over this matter. I think the injection of this item at this time by the gentleman from Wisconsin was very ill advised. It is something that should not occupy the time of this committee at this moment, but he has injected it, and, without any desire to enter into a full discussion of it, I think it is only fair to these people to say something. I am reliably informed—and when I say reliably I mean it—that it is the intention of the parties who acquired this land to dispose of it in a great many small quantities to the Filipino people for them to own, occupy, and enjoy. And I ask the gentleman from the Philippines [Señor QUEZON] if that statement is not correct?

Mr. QUEZON. Mr. Chairman, I can say to the committee that I have the same assurance.

Mr. MILLER. So that this institution, which has thus been maligned, as a matter of fact has developed or is developing a large area of wild country in a region where wild people live—the Mangyans—and anybody who knows about this wild people knows the extent of their wildness. This company has already brought 4,000 good Christian Filipino people there, are giving them homes, and they are in process, after having developed and cultivated the land, of selling it and disposing of it as permanent homes for these people. The only benefit that will result to the business association is that the sugar that will be grown upon these lands will be crushed in the mill there to be constructed.

Mr. Chairman, there has been a lot of loose talk about this company and this estate. Doubtless the talk is sincere, but it is grossly mistaken. The facts assumed are erroneous; the conclusions drawn are therefore incorrect. I know whereof I speak when I say that if the gentleman will introduce a resolution providing for the return of this whole estate and all the improvements made thereon, and repaying the company all they have invested in the estate, that company will beg and pray for the passage of the resolution.

Mindoro, where this company is developing these wild lands, has long been known as the white man's grave and the brown man's tomb. Those miasmic areas are filled with malaria of a deadly kind. It has baffled medicine. This company which the gentleman condemns has expended \$100,000 in medical research and has found a means to combat the pestilence. Their contribution to humanity has been great and immediate.

They have constructed a splendid deep-water dock which any boat can use. They are transforming these thousands of acres of cogon grass and jungle into wonderfully fertile and productive areas. They are preparing to sell this to individual Filipinos for them always to enjoy.

The gentleman greatly mistakes the Filipino opinion of this company. The commission, now composed of a majority of Filipinos, recently voted, at the request of a Filipino member, a very substantial governmental aid to the company, it having reached severe financial straits.

Before making such accusations and insinuations, the gentleman should advise himself of the facts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. BRYAN].

Mr. BRYAN. Had we not better have that reported? Perhaps the gentlemen do not know that we are voting on the limitation of a term of franchise.

The CHAIRMAN. The Clerk will again report the amendment.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the yeas seemed to have it.

Mr. BRYAN. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 13, yeas 20.

So the amendment was rejected.

Mr. BRYAN. Mr. Chairman, I offer another amendment, that instead of the words "50 years" the words "in perpetuity" be inserted, so that it will read "that no franchise shall be granted in perpetuity." See if we can not cut out perpetual franchise in a Democratic House.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 23, line 15, after the word "exercised," strike out the colon and insert a semicolon and the following language: "No franchise shall be granted in perpetuity."

Mr. COOPER. Mr. Chairman, to say that no franchise shall be granted in perpetuity would not be very much of a limitation, because under those words "in perpetuity" a lease could be made for 999 years, and that is considerable of a while. It is not "in perpetuity," but it is a long time.

Mr. BRYAN. If the gentleman will yield, I will say that I was trying to establish a time limit that will suit a Democratic majority here. I was trying to get 50 years adopted. If somebody will amend and make it 100 years, that will be an improvement on my last amendment, and I will support the change. But I submit that if we can prevent the rights of the people being given away in the form of perpetual franchises we will accomplish something. The very fact that the legislature will have to fix a definite term will put them on their guard. To give a light company or a water company or a gas company a perpetual franchise is a crime against the living and against the generations yet to come.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. BRYAN].

The question was taken, and the Chairman announced that the yeas seemed to have it.

Mr. BRYAN. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 14, yeas 24.

So the amendment was rejected.

Mr. BRYAN. Mr. Chairman, I offer a new section to come right in there.

The CHAIRMAN. The gentleman from Washington offers a new section, which the Clerk will report.

The Clerk read as follows:

Insert as a new section, 26a, the following:

"The sale, manufacture for sale, transportation for sale, importation for sale, and exportation for sale of intoxicating liquors for beverage purposes in the Philippine Islands and all territory subject to the jurisdiction thereof are forever prohibited. The Philippine Legislature shall have power to provide for the manufacture, sale, importation, and transportation of intoxicating liquors for sacramental, medicinal, mechanical, pharmaceutical, or scientific purposes, or for use in the arts, and shall have power to enforce this article by all needful legislation."

Mr. STAFFORD. Mr. Chairman, I make a point of order that the amendment is not germane to the section under consideration.

Mr. BRYAN. I will state to the gentleman—

Mr. STAFFORD. Permit me, if the gentleman please—

Mr. BRYAN. I was going to tell you it was a new section.

Mr. STAFFORD. Will the gentleman permit me?

Mr. BRYAN. Will the gentleman yield?

Mr. STAFFORD. I will not. I make the point of order that the provision restricting the legislation was a prior section, and it should have been inserted there, where it might have been in

order. It certainly is not in order at this place, which relates to franchises and not to the limitation of the legislature.

Mr. BRYAN. Mr. Chairman, there is likely to be quite a discussion on this point of order unless the Chair is ready to rule at once, and I therefore make the point that there is not a quorum present.

Mr. MILLER. Oh, no. I trust the gentleman will not do that.

Mr. BRYAN. I think this ought to go over for a day or two. The CHAIRMAN. The Chair is ready to rule.

Mr. BRYAN. I was going to make the point after the Chair had ruled, anyway.

Mr. MILLER. There is another amendment to the paragraph that I want the Resident Commissioner from the Philippines to speak upon, as the gentleman wishes to leave to-night.

Mr. BRYAN. Mr. Chairman, I ask unanimous consent that this amendment I have just offered shall go over until our next convening.

Mr. MILLER. Withdraw it until after the reading and consideration of the next paragraph. I ask unanimous consent, Mr. Chairman, that the consideration of the amendment offered by the gentleman from Washington [Mr. BRYAN] be postponed until after we have completed the consideration of section 27.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] asks unanimous consent that the consideration of the amendment offered by the gentleman from Washington [Mr. BRYAN] shall be deferred until the conclusion of the reading of section 27. Is there objection?

Mr. MOORE. Reserving the right to object, Mr. Chairman, I would like to know if it is the intention of the chairman of the committee to complete the reading of this bill to-night?

Mr. JONES. I did not catch the gentleman's inquiry.

Mr. MOORE. I have reserved the right to object in order that I might ask the gentleman from Virginia [Mr. JONES] whether he intends to press for the reading of the bill to a finality to-night?

Mr. JONES. No. I would like to have the Clerk read through the governmental provisions. We are now nearly through them. The preamble will take some time to discuss, and gentlemen will want time, and I shall not press it.

Mr. MOORE. We can go on with the consideration of the bill to-morrow?

Mr. JONES. Yes.

Mr. BRYAN. Mr. Chairman, I make the point of order that there is no quorum present. The gentleman would not agree to my unanimous-consent request.

Mr. JONES. What was it?

Mr. BRYAN. I asked unanimous consent that the further consideration of this amendment go over until the next time this committee meets.

Mr. MILLER. I thought I was making just exactly the request that the gentleman wanted.

Mr. BRYAN. I ask that the request be submitted. Mr. Chairman, that the further consideration of the amendment that I have offered go over until this committee meets again—to-morrow or next day.

Mr. JONES. The gentleman might state it this way and accomplish his purpose—to go over until we have completed the reading of the governmental provisions of the bill.

Mr. BRYAN. We are not going to complete the bill to-day?

Mr. JONES. No.

The CHAIRMAN. The gentleman from Washington asks unanimous consent that the consideration of his amendment go over until the next day when this bill is considered—

Mr. STAFFORD. With the point of order pending?

The CHAIRMAN. Yes. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

That, except as in this act otherwise provided, the salaries of all the officials of the Philippines not appointed by the President, including deputies assistants, and other help, shall be such and be so paid out of the revenues of the Philippines as shall from time to time be determined by the Philippine Legislature and approved by the Governor General; and if the legislature shall fail to make an appropriation for such salaries, the salaries so fixed shall be paid without the necessity of further appropriations therefor. The salaries of all officers and all expenses of the offices of the various officials of the Philippines appointed as herein provided by the President shall also be paid out of the revenues of the Philippines. The annual salaries of the following-named officials appointed by the President and so to be paid shall be: The Governor General, \$18,000; in addition thereto he shall be entitled to the occupancy of the buildings heretofore used by the chief executive of the Philippines, with the furniture and effects therein, free of rental; chief justice of the supreme court, \$10,500; associate justices of the supreme court, \$10,000 each.

Mr. MILLER. Mr. Chairman, I move to strike out, in line 20, page 24, the figures "\$18,000" and substitute in lieu thereof



the figures "\$25,000." I would like to be heard, Mr. Chairman, for just a moment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The Clerk read as follows:

Page 24, line 20, strike out the figures "\$18,000" and insert in lieu thereof the figures "\$25,000."

Mr. MILLER. Now, Mr. Chairman, unless this amendment is adopted, or one substantially increasing the amount named in the bill, the Governor Generalship in the Philippine Islands must in future go to a rich man.

It is unquestioned that \$18,000 will not pay the expenses of the Governor General of the Philippine Islands. I assume, and I believe I assume correctly, that the membership of the committee want to respond to the wishes of the Filipino people as far as possible, especially in a matter where Filipino people are going to pay the bill. Now, if the Filipino people desire that their Governor General shall have a salary of \$25,000, which they themselves pay, in order that he may occupy the position required by the importance of his office, it seems to me we ought to grant their request.

Mr. QUEZON. Mr. Chairman, will the gentleman yield right there?

Mr. MILLER. Certainly.

Mr. QUEZON. I would like to make the statement, Mr. Chairman, in connection with what the gentleman from Minnesota is saying, that the Philippine Assembly, at the last session of the Philippine Legislature, while it tried to reduce, and did reduce, the salary of almost every high-salaried official of the Philippine Government, it did not wish to reduce the salary of the Governor General. In fact, there were some members who thought it should be increased to \$25,000, because the people of the Philippine Islands realize the heavy burdens of the position. I have just received a cablegram from the speaker of the assembly making some suggestions regarding this bill, and one of these suggestions is in line with the amendment of the gentleman from Minnesota.

Mr. MILLER. That is a cablegram from the speaker of the assembly to the effect that the Filipinos would like to have this salary increased to \$25,000?

Mr. QUEZON. Yes, sir.

Mr. MILLER. Gentlemen, it is of the utmost importance, I think, that this amount be increased as requested by the people of the Philippines. The Governor General is to occupy the Malacanang Palace, left by the Spanish Government. He can not occupy it in a decent way on the sum named here. Now, the Filipino people desire that he occupy a place commensurate with the dignity of his office, and they are glad and willing to pay this amount, and they ask Congress to increase it.

Mr. QUEZON. Mr. Chairman, will the gentleman allow me to make a further statement?

Mr. MILLER. Yes.

Mr. QUEZON. I would like to say that the salary of the Governor General has been reduced by the legislature at the insistence of Gov. Harrison himself.

Mr. MILLER. Yes. The Governor General thought that inasmuch as other salaries were being reduced, he would reduce his own. Now, we all know that the salary of the Governor General is not of prime importance to him for he is a wealthy man.

Mr. STAFFORD. What is the present salary?

Mr. MILLER. Eighteen thousand dollars. Heretofore it was \$21,000.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. GARRETT of Tennessee. Would it be satisfactory, instead of adopting an arbitrary sum, to insert a provision that it shall not be less than the following sum, so as to leave the amounts as they stand in the bill and still leave it to the Philippine Legislature?

Mr. MILLER. I do not think that change would make any difference. They can do that now.

Mr. GARRETT of Tennessee. I do not think they could under the terms of this bill for we fix it arbitrarily. If the gentleman would accept that proposition, I think we could compromise the matter.

Mr. MILLER. Well, I would be willing to accept that.

Mr. MOORE. Mr. Chairman, I make the point of order that no quorum is present.

Mr. QUEZON. I wish the gentleman would withhold that long enough for me to address the committee for a few minutes.

Mr. MOORE. Very well, Mr. Chairman; I will withdraw it for the present.

[Mr. QUEZON addressed the committee. See Appendix.]

Mr. MOORE. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. JONES. Mr. Chairman, will not the gentleman be willing to withhold his point until we can dispose with this amendment? I will say to the gentleman that these other gentlemen have agreed among themselves, and there will be no discussion of it.

Mr. MOORE. Mr. Chairman, I will say to the gentleman that there are other amendments to be offered and it would take at least an hour to finish this paragraph, if we open it up again, and we will be no better off than we were 10 minutes ago. I insist upon the point of order.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18459 and had come to no resolution thereon.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. HOWELL, indefinitely, on account of sickness in his family.

To Mr. WATSON, indefinitely, on account of sickness in his family.

#### FREDERICK H. LEMLY.

Mr. STEDMAN. Mr. Speaker, I ask unanimous consent to take up for present consideration the bill (S. 3561) to appoint Frederick H. Lemly a passed assistant paymaster on the active list of the United States Navy.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, it is rather late in the day to consider that kind of a bill. The gentleman can bring it up to-morrow or the next day.

Mr. STEDMAN. It is a case of extraordinary merit.

Mr. STAFFORD. I would first have to examine the bill before I could give my consent to it, and I can not do it at this late hour. I hope the gentleman will withdraw his request and submit it to-morrow or next day.

Mr. STEDMAN. Mr. Speaker, I withdraw the request.

#### CALENDAR WEDNESDAY.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that business in order to-morrow under the rule shall be in order on Thursday.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that business that would be in order to-morrow, Calendar Wednesday, be transferred or postponed until Thursday. Is there objection?

Mr. HENRY. Mr. Speaker, reserving the right to object, does that mean that Thursday shall be Calendar Wednesday?

The SPEAKER. It does.

Mr. HENRY. Then I believe the Committee on Printing has a bill up for consideration, which will be the regular order?

The SPEAKER. That is correct.

Mr. HENRY. Under the circumstances, I have no objection.

The SPEAKER. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS.

Mr. FALCONER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on denatured alcohol as a source of power on the farm.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of woman suffrage.

The SPEAKER. Is there objection?

Mr. BRYAN. Mr. Speaker, reserving the right to object, may I ask the gentleman on what side he is?

Mr. HAYDEN. I am in favor of it.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLATT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of a matter that has come up in the Pension Office.

The SPEAKER. Is there objection?

Mr. HENRY. Reserving the right to object, what is the subject?

Mr. PLATT. A matter that has come up in the Pension Office.

Mr. HENRY. Mr. Speaker, I want to couple with that a request that I be permitted to extend my remarks in the Record on the subject of cotton. If that is done, I shall not object.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the Record on the subject of pensions, and the gentleman from Texas couples to that a request that he be permitted to extend his remarks on the subject of cotton. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, to-day this side has raised no objection to two or three requests for unanimous consent to extend remarks in the Record made on the other side. Here is the first occasion that any Member upon this side has made that request—

Mr. CRISP. Oh, no; consent was just this moment granted to the gentleman from Washington [Mr. FALCONER].

The SPEAKER. Is there objection?

Mr. PAYNE. Mr. Speaker, reserving the right to object—

Mr. DONOVAN. Mr. Speaker, I demand the regular order. Shoot, Luke, or give up the gun!

The SPEAKER. Is there objection?

Mr. PAYNE. Mr. Speaker, reserving the right to object, if I may be allowed to do so—

Mr. HENRY. I shall object, unless I can say something.

Mr. DONOVAN. Mr. Speaker, regular order.

The SPEAKER. The regular order is demanded and the regular order is, is there objection?

Mr. HENRY. Mr. Speaker, I do object.

The SPEAKER. The gentleman is objecting to his own request.

Mr. HENRY. Mr. Speaker, I thought the Speaker was putting the other request. I shall not object to my own request.

The SPEAKER. Is there objection to this double-headed request?

Mr. PAYNE. Mr. Speaker, if I can not reserve the right to object, I shall have to object. I wanted to accommodate the gentleman—

Mr. HENRY. I am sorry the gentleman is objecting to any pension matter.

Mr. PAYNE. I wanted to accommodate the gentleman from Texas, but the gentleman from Connecticut will not let me—

Mr. HENRY. I am sorry the gentleman from New York and the gentleman from Connecticut see proper to object to pension matters.

The SPEAKER. Is there objection?

Mr. PAYNE. I do not object to the pension request, if that is the only request.

The SPEAKER. Does the gentleman object to the other request?

Mr. PAYNE. I do, unless I can have a chance to say a word.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. PLATT]?

Mr. HENRY. Mr. Speaker, is my request coupled with it?

The SPEAKER. No; the gentleman's request is knocked out.

Mr. HENRY. Who knocked it out?

The SPEAKER. The gentleman from New York.

Mr. HENRY. Then I would have to knock out his request; and I do object.

The SPEAKER. No; the gentleman from New York, Mr. PLATT, did not object, but it was the gentleman from New York, Mr. PAYNE, who objected.

Mr. HENRY. It is as broad as it is long, and I object.

The SPEAKER. The gentleman from Texas objects.

Mr. GILLET. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by publishing a speech delivered by my colleague, Mr. WINSLOW, at a Republican convention in Massachusetts.

The SPEAKER. The gentleman from Massachusetts [Mr. GILLET] asks unanimous consent that he may extend his remarks in the Record by printing a speech delivered by his colleague [Mr. WINSLOW] at a Republican convention.

Mr. HENRY. Mr. Speaker, I will couple my request with that and ask unanimous consent that I may be allowed to print some remarks on cotton.

Mr. STAFFORD. Mr. Speaker, does the gentleman think it is fair from his standpoint, after consents have been granted to Members on his side, to couple up such a request?

Mr. PAYNE. Mr. Speaker, I make the point of order that the gentleman can not amend a request of that kind. It must be put separately. I think the gentleman is entitled to have his request put separately.

Mr. HENRY. I have another way of amending it, and I object.

Mr. PAYNE. All right.

The SPEAKER. The gentleman from Texas objects.

#### ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned to meet to-morrow, Wednesday, October 14, 1914, at 12 o'clock noon.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 16521) granting a pension to James F. Mitchell, and the same was referred to the Committee on Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HOWARD: A bill (H. R. 19262) to amend section 5211 of the Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. MITCHELL: A bill (H. R. 19263) providing for the retirement of officers of the Philippine Scouts, United States Army; to the Committee on Insular Affairs.

By Mr. RIORDAN: Resolution (H. Res. 644) to provide for the printing and distribution of Washington's Farewell Address; to the Committee on Printing.

By Mr. RUPLEY: Resolution (H. Res. 645) granting to all carriers of the United States mail, including rural carriers, a holiday on Christmas Day; to the Committee on the Post Office and Post Roads.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 19264) granting an increase of pension to Joseph L. Tomlinson; to the Committee on Invalid Pensions.

By Mr. BURNETT: A bill (H. R. 19265) for the relief of Emma M. Blackwell; to the Committee on War Claims.

By Mr. CARY: A bill (H. R. 19266) granting an increase of pension to James Dougherty; to the Committee on Invalid Pensions.

By Mr. CLINE: A bill (H. R. 19267) granting an increase of pension to James H. Brown; to the Committee on Pensions.

By Mr. COX: A bill (H. R. 19268) granting an increase of pension to Frederick Brinegar; to the Committee on Invalid Pensions.

By Mr. DRISCOLL: A bill (H. R. 19269) for the relief of Theodore Beiter; to the Committee on Naval Affairs.

By Mr. GARD: A bill (H. R. 19270) granting a pension to Ida M. Hammon; to the Committee on Pensions.

Also, a bill (H. R. 19271) granting a pension to George Tuffensam; to the Committee on Pensions.

Also, a bill (H. R. 19272) granting an increase of pension to Frederick C. Hoopert, alias Frederick C. Hupee; to the Committee on Invalid Pensions.

By Mr. HUMPHREYS of Mississippi: A bill (H. R. 19273) for the relief of the heirs of James Spiars; to the Committee on War Claims.

By Mr. KENNEDY of Iowa: A bill (H. R. 19274) granting an increase of pension to Nicholas McKenzie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19275) granting a pension to Barbara Peiris; to the Committee on Invalid Pensions.

By Mr. SLOAN: A bill (H. R. 19276) granting an increase of pension to George Blevins; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 19277) granting an increase of pension to Frank Rupert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19278) granting an increase of pension to John H. Westmeyer; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 19279) granting an increase of pension to Phoebe Greer; to the Committee on Invalid Pensions.

By Mr. MURRAY: A bill (H. R. 19280) granting a pension to Charles L. Nance; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AVIS: Petitions of the Alderson Hardware Co. and others, of Alderson; Hinton Hardware Co., C. L. Parker, and



others, of Hinton; J. P. Brace and others, of St. Albans; R. E. L. Lloyd and others, of Gassaway, all in the State of West Virginia, in favor of House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. BAILEY (by request): Petitions of James Smith and Moses Alwine, of Johnstown; John C. Cosgrove, of Cherry Tree; John L. Zeth, of Hopewell; I. J. Hoover, of Patton; I. L. Binder and Amandus Baker, of Hastings, all in the State of Pennsylvania, protesting against a war tax on automobiles; to the Committee on Ways and Means.

Also, petition of the Hostetter Co., of Pittsburgh, Pa., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. BAKER: Petition of the Hollock Denton Co., of Newark, N. J., protesting against tax on alcohol; to the Committee on Ways and Means.

By Mr. CALDER: Petition of Phillip Matty, H. B. Smith, Carl Wilk, F. H. Plate, H. Planten & Son, C. F. Hatterman, Prof. Otto Rauenheimer, J. H. Schell, W. G. Turner, M. Arneman, I. D. McElhenie, T. C. Bonaue, P. H. Henkel, J. H. Rehfuess, H. Neetzoldt, Adolph Schwartz, S. Glasscoff, W. H. Bresheuschu, H. Flinling, Alexander Gardner, Fred Burgett, all of Brooklyn; C. L. McClouth, of Little Valley; and Henry K. Lathrop, of New York, all in the State of New York, against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of W. Quackenbush, of New York, favoring Moss bill (H. R. 17329); to the Committee on Agriculture.

By Mr. CARR: Petition of W. H. Kanter, of Somerset; G. N. Schrock, of Somerset; Arthur L. Knepp, of Sand Patch; Charles A. Trapp, of Listie; Will T. Gordon, of Hastings; Carl J. Fronheiser, of Johnstown; U. F. Rayman, of Berlin; H. W. Judy and Cornelius Judy, of Garrett; Dr. R. B. Colvin, of Somerset; Max Halpert, of Jerome; S. E. Engle, of Boynton; Axel Person, of Ridgway; John C. Cosgrove, of Cherry Tree; Daniel Statler, of Johnstown; H. L. Holsteinle, of Confluence; S. J. Maust, of Elk Lick; J. C. Reiman, of Berlin, all in the State of Pennsylvania, protesting against tax per horsepower on automobiles; to the Committee on Ways and Means.

By Mr. CARY: Petition of the A. Schrader Co. and Robert M. Dado, of Milwaukee, Wis., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. DALE: Petition of D. Ransom Son & Co., of Buffalo, N. Y., and the Iowa Pharmaceutical Association, of Algona, Iowa, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. EAGAN: Petition of the Hallock, Denton Co., of Newark, N. J., and Otto Edler, of West Hoboken, N. J., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against tax on chewing gum; to the Committee on Ways and Means.

Also, petition of the Labor Council of Greater New York, protesting against the war in Europe; to the Committee on Foreign Affairs.

By Mr. GRAHAM of Pennsylvania: Petition of the Iowa Pharmaceutical Association, of Algona, Iowa, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. GRIFFIN: Petition of the commissioner of docks and ferries, New York City, relative to improvement of New York Harbor; to the Committee on Rivers and Harbors.

Also, petitions of the Iowa Pharmaceutical Association, of Algona, Iowa, and sundry citizens of Brooklyn and New York, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. HOWELL: Petition of the Salt Lake Federation of Labor, of Salt Lake City, Utah, protesting against contract system of Post Office Department for printing stamped envelopes; to the Committee on the Post Office and Post Roads.

Also, memorial of the St. George (Utah) Commercial Club, relative to amendment to bill for construction of a Government railroad from Marysville, Utah, to the Kisbert Forest; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the National Association of Life Underwriters, favoring a national department of health; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Utah Federation of Labor, protesting against national prohibition; to the Committee on Rules.

By Mr. HUMPHREYS of Mississippi: Paper to accompany a bill for relief of heirs of James Spiars; to the Committee on War Claims.

By Mr. MAGUIRE of Nebraska: Petition of various business men of Dunbar, Nebr., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. MERRITT: Telegram of the Lake Placid Pharmacy, Lake Placid, N. Y., protesting against proposed tax on proprietary medicines and toilet articles; to the Committee on Ways and Means.

Also, telegram from Sweet & Martin, druggists, Port Henry, N. Y., urging modification of proposed stamp tax on drugs; to the Committee on Ways and Means.

By Mr. MURRAY: Petitions of sundry citizens of Oklahoma, favoring national prohibition; to the Committee on Rules.

By Mr. RAKER: Memorial of the National Council of the Daughters of Liberty of Philadelphia, Pa., favoring passage of House bill 6060; to the Committee on Immigration and Naturalization.

Also, petition of Mrs. Ida L. Aldrich, Mr. L. P. Payne, and Miss Louise Emmons, of Hughson; Miss Lillian J. Backstrand, of Riverside; Mr. J. W. Oakley, Mrs. L. W. Lawsher, and Mr. F. G. Richardson, of Los Angeles; Miss Athelene Spoon, Miss Beula Marie Spoon, Miss Ruth V. Runyan, Mrs. Carrie Spoon, Mr. W. E. Spoon, and Miss Lucile R. Spoon, of Pacific Grove; Mrs. M. B. Farwell, of Denoir; Miss Emily A. Swanson, of Hughson; Mrs. Rachel G. Stubbs, of Los Angeles; and Miss Lucy C. Gay, of Glenburn, all in the State of California, favoring national prohibition; to the Committee on Rules.

Also, petitions of F. S. Ackerman, of the Yreka (Cal.) Pharmaceutical Association, and Moorons' Drug Store, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the Bank of Corning, Cal., protesting against tax on automobiles; to the Committee on Ways and Means.

Also, memorial of Athens Parlor, No. 195, of Oakland; Lakeside Lodge, No. 143, Knights of Pythias; Independent Order Odd Fellows' Military Band; Alpha Neighborhood Club; Yosemite Tribe, No. 103, Improved Order of Red Men; Reinold Ritcher Camp, No. 2, United Spanish War Veterans; Monadnock Tribe, No. 100, Improved Order of Red Men, all of San Francisco, Cal., favoring passage of the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

Also, petition of S. C. Painter and William Painter, of Lake City; Charles Morton, of Bayles; Thomas Reynolds, of Portola; and Martin Hveem, of Bayles, all in the State of California, protesting against national prohibition; to the Committee on Rules.

By Mr. VOLLMER: Protest on behalf of 50,000 members of the Iowa State Traveling Men's Association, against proposed war tax on mutual accident insurance; to the Committee on Ways and Means.

By Mr. WINSLOW: Petition of 19 citizens of Worcester, Mass., favoring national prohibition; to the Committee on Rules.

## SENATE.

WEDNESDAY, October 14, 1914.

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

EMERGENCY REVENUE LEGISLATION (S. DOC. NO. 600).

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Treasury, which will be read.

The communication was read, referred to the Committee on Finance, and ordered to be printed, as follows:

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, October 13, 1914.

THE PRESIDENT OF THE SENATE.

SIR: In compliance with Senate resolution of October 8 (calendar day, October 9), 1914, I have the honor to submit herewith an estimate in detail of the amount of revenue that will be raised by H. R. 18891 as amended by the Senate Committee on Finance and reported to the Senate on October 8, 1914.

The estimate submitted covers collections to be made for one year.

From—		
Fermented liquors	-----	\$43,795,000
Rectified spirits	-----	5,000,000
Wines—		
Sweet	-----	\$4,960,000
Dry	-----	3,260,000
		8,220,000
Total	-----	57,015,000
Special taxes:		
Bankers	-----	4,300,000
Pawnbrokers	-----	250,000
Brokers—		
Commercial	-----	250,000
Customhouse	-----	12,000
Total	-----	4,812,000